

A Total Quality Management (TQM) Model for Small Hotels in Achieving Competitive Advantage

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Abstract: This study aimed to evaluate the extent of implementation of total quality management system of small hotels in Region VI and likewise identify problems in the implementation of quality management initiatives. The findings of the study endeavored to design a total quality management model to be adopted by small hotels, of Region VI. The focus of this study was confined to the Total Quality Management constructs which includes, customer focus, continuous improvement, process approach, management by fact, strategic management, leadership and employee involvement as variables in assessing the extent of compliance of small hotels. The study used the descriptive method in gathering data with the questionnaires as the main instrument and utilized stratified random sampling technique in selecting the respondent coming from different provinces. The study used four (4) point Likert – Scale and distributed among the participants. The data gathered were statistically treated with the accurate tools to be able to determine the significant difference between and among the ratings of respondents according to category and across provinces. Finding showed that almost of the TQM constructs which includes, Customer Focus, Continuous Improvement , and Strategic Management got the ratings which is interpreted as “Very High Extent” while Process Orientation , Management by fact, Leadership and Employee Involvement have a ratings which is interpreted as “ High Extent”. The ratings of the respondents reflected the adherence to the required TQM standards and practices implementation since the entire construct are important criteria for a good quality management of an organization or company. Statistically the results arrived at the conclusion that there were significant differences in all the aspects of Total Quality Management constructs as rated by the respondents according to category and across provinces, thus the null hypothesis were rejected. Moreover, results revealed that the three provinces in Region VI vary differently in the implementation of TQM wherein Iloilo got the highest rating of “Very High Extent”. Top management and Rank in files rated differently the problems they have encountered.

Keywords: Total Quality Management, Competitive Advantage, Small hotels, Accreditation, Top Management.

1. INTRODUCTION

Business competition in national and global markets is becoming tougher particularly in improving organizational performance and building competitive advantage. Every firm has their own strategy to achieve their business goals and objectives that contribute to their success or failure. Hotel management for instance, their top management in particular often has an issue in measuring competitiveness and usually chooses the wrong tools and techniques. Thus, resulting to inferior business performance as a whole.

Currently, hotel industry is undergoing dramatic changes due to the demographic shifts in consumer markets and fast development in technology that affects the changing demands of their respective clients. With this premise, hotel industry must utilized new management strategies in order to stay in the competition and among these management is Total Quality Management (TQM) .TQM is a combination of quality and management tools by which management and employees can involve in the continuous improvement of the production of goods and services and aimed to increasing business and reducing losses due to wasteful practices. It also seeks to integrate all organizational functions to focus on meeting customer needs and organizational objectives. With these, it is therefore clear that organizations need to adopt a TQM process that will identify their critical success factors in order for them to achieve business success.

Over the last decade, a significant number of hotel companies have embraced the concepts of TQM because they found it as a very reliable tool in achieving their goals and hotels businesses have found the implementation of quality processes to be a vital competitive component.

On the other hand, total quality management has been evolving in the hotel sector since quality assurance was introduced in the 1980s. However, many hotels especially large hotels are still struggling because they failed to understand what is really meant by total quality management. According to Stegeran, et. al. (2009) hotels with successful total quality management systems report improvement in employee satisfaction, customer satisfaction, profit margins and operational costs savings, compared to their counterparts with less successful total quality management systems.

In order to understand TQM in hotel industry today, top management must know their role in the implementation and its benefits or importance to the business. They have to understand that that every customer has their own distinct needs and wants and there are also a lot of competitors who are willing to satisfy their demands, thus, became a primary challenge for the hotel industry.

In Region VI in particular, TQM had been already adopted by large hotels, however based from initial investigations the idea of TQM does not conspire to small hotels because they have their own implementing strategies in setting management systems. Small hotels have limited budget and give only priorities on the most important things that could help the company or organization especially trainings and seminars, employee's rewards and incentives, lack of resources for facilities and amenities and the streamlined of the organizational structure where responsibilities and obligations is handled by one person and employee's tenure and security.

Thus, this study aimed to evaluate the extent of implementation of Total Quality Management System of small hotels and how their adaptation mechanisms towards the changes on this system. Ultimately, the results of this study provide wide knowledge on the methods, system, strategies that eventually preempt the formulation of total quality management model for small hotels.

2. METHODOLOGY

This chapter discusses the research design and method used in the study. Specifically, the methodology discusses the respondents of the study, sampling method and instruments used. This chapter also discusses the research procedure as well as the data analysis procedure.

This descriptive research was employed quantitative research approach.

According to Estolas and Boquiren (2009), as cited in the book of Garcia et. al. (2011), described descriptive research as a study that can obtain facts about existing conditions or detach significant relationship between current phenomena. It also describes and interprets prevailing condition or relationship that exist or do not exist, practices that prevail or do not, beliefs or points view or attitude that are held, processes that are going on or otherwise, effects that are being felt or trends that are developing.

Furthermore, Sanchez (2009) ,wrote descriptive research that includes all of those studies that purport to present facts concerning the nature and status of anything – a group of persons, a number of objects, a set of conditions, a class of events, a system of thought or any other phenomena which one may wish to study.

The main goal of this study was to determine the extent of implementation of Total Quality Management and to develop a TQM model specifically for small hotels. This was done by establishing empirical data with the use of different data gathering tools and techniques such as survey technique with the used of survey questionnaire using a checklist.

3. RESULTS AND FINDINGS

As a result of investigations, the following findings were summarized:

1. As to accreditation, out of twenty-nine (29) accredited hotels certified by the Department of Tourism (DOT) for quality management only eleven (11) hotels participated in the conduct of study. The same with non- accredited hotels, only fourteen (14) participated out of 30 hotels in Region VI. Some of the hotels especially in Iloilo were given by the Department of Tourism an awards and recognition for their quality management standards and practices. These hotels were composed of 30 rooms and below with 35 and below employee's equivalent to 36.1 percent. Small hotels have only 100 rooms and below and employees were only limited depending on the capacity of the workloads and of the

establishment. As to hotels classes of service and number of years of operation, most of the small hotels were rendering a full service equivalent to 46.8 percent and most were operating the business for almost four (4) to six (6) years which is equivalent to 36.1percent.

2. Results revealed that in terms of customer focus the extent of implementation of the TQM constructs as perceived by the respondents as a whole was “High Extent” with corresponding mean score of 3.19 (sd: 0.51). Likewise that in terms of continuous improvement, process approach, and management by fact, strategic management, leadership, and employee involvement the respondents also perceived the extent of implementation of TQM initiatives to be “High Extent” with mean score of 3.27 (0.48),3.14 (0.52),3.15 (0.56),3.19 (0.50),3.17 (0.54) and 3.04 (0.59) respectively. Thus, the overall extent of implementation of TQM initiatives was rated by the respondents the mean score of 3.17 (0.44) with verbal interpretation of “High Extent”.

3. When rated by respondents across provinces, results revealed that the respondents from the provinces of Aklan and Capiz perceived the extent of implementation of Total Quality Management initiatives in small hotels as “High Extent” in all the TQM constructs with the over- all mean score ratings of 3.12(sd:0.41) and 3.06(sd:0.37) respectively. Contrary to these, the respondents from the province of Iloilo had highest perception the extent of Total Quality Management initiatives in terms of Customer Focus, Continuous Improvement and Process Approach with the mean ratings of 3.34 (sd:0.54), 3.38 (sd:0.51), and 3.34 (sd: 0.56)respectively . However, when rated as a whole the overall ratings on the extent of Implementation of Total Quality Management of small hotels in Region VI was 3.16(sd: 0.43) and verbally interpreted as “High Extent”.

4. Result shows that there were significant differences in all the aspects of Total Quality management initiatives in terms of Customer Focus, Continuous Improvement, Process Approach, Management by Fact, Strategic Management, Leadership and Employment Involvement, when group according to category as indicated by the p- value of .000** which is lesser than the alpha level of 0.05. Thus, the researcher rejects the null hypothesis.

5. ANOVA results revealed the significant difference between and among the rating of the respondents on the extent of implementation of Total Quality Management across provinces in terms of Customer Focus , it was found out to be p-value of .005(df2,202; critical value of F 5.370 at $p>0.05$). Thus the researcher rejects the null hypothesis and states that there is a significant difference between and among the ratings of the respondents on the extent of implementation of Total Quality Management initiatives in terms of Customer Focus.

6. Results show that the three (3) provinces in Region VI revealed a significantly different ratings. Likewise, the Aklan to Capiz revealed that there were no significant difference in the ratings in terms of customer focus from that of the Aklan to Iloilo and Capiz to Iloilo that revealed significant differences.

7. ANOVA results revealed that the p- value to be .056 (df2,202; critical value of F 2.920 at $p>0.05$).Thus, researcher accepts the null hypothesis that there is no significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Continuous Improvement.

8. ANOVA revealed that the p- value to be .000 (df2,202; critical value of F 1.975 at $p>0.05$).Thus, researcher rejects the null hypothesis that there is a significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Process Approach.

9. Results revealed that only the ratings of the respondents from the province of Aklan and Capiz were not significantly different from each other. All the rest, the ratings of the respondents from the province of Aklan revealed significant ratings with that from the province of Iloilo as well as Capiz and Iloilo, and revealed a significant difference in the ratings of the respondents in terms of Process Approach.

10. ANOVA revealed that the p- value to be .040 (df2,202; critical value of F 3.270 at $p>0.05$).Thus, researcher rejects the null hypothesis that there is a significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Management by Fact.

11. Results revealed that all the ratings of the respondents from the province of Aklan , Capiz and Iloilo were not significantly different from each other in terms of Management by fact.

12. ANOVA revealed that the p- value to be .086 (df2,202; critical value of F 2.482 at $p>0.05$).Thus, the researcher accept the null hypothesis that there is no significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Strategic Management.

13. ANOVA results revealed that the p- value to be .052 (df2,202; critical value of F 3.006 at $p>0.05$) for the significant difference between and among the rating of the respondents on the implementation of Total Quality Management standard and practices in terms of Leadership. The researcher accepts the null hypothesis because the result states that there is no significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Leadership.

14. ANOVA results revealed that the p- value to be .003 (df2,202; critical value of F 5.933) at $p>0.05$. The researcher reject the null hypothesis that there is a significant difference between and among the rating of the respondent on the implementation of Total Quality Management standard and practices in terms of Employee Involvement.

15. Results revealed that the ratings of the respondents from the province of Aklan , Capiz and Iloilo were not significantly different from each other only Capiz and Iloilo were significant different in terms of Employee Involvement.

16. These problems are ranked according to the most prevalent and that have been encountered by top management and rank and files. Top management and rank and files rated differently the problems they have encountered. Top management top five (5) barriers includes the following; first is the competitive market (39) ,followed by lack of time and resources (27), lack of training (24) then resistance to workforce (22) and lastly attitude of employee towards implementation (21) while rank and files top five (5) barriers includes the following; first is the competitive market (134) , followed by lack of training (88) ,then lack of time and resources (80) , and lastly lack of customer focus (70) and poor planning (70).

4. CONCLUSIONS

Based from the results and findings of the study the following conclusions were drawn:

1. Results revealed that in terms of accreditation, there were limited hotels identified by Department of Tourism from Region VI that practices the quality standards and certified for their quality management practices, and others are non-accredited. Thus, this simply concludes that hotels in Region VI have no strict compliance in the implementation of a certification on Quality Management System for the required standards and practices of the hotels.

2. Results revealed a “**High Extent**” of implementation in the overall Total Quality Management constructs of small hotels in Region VI as rated by the respondents according to category and across provinces with respect to Customer Focus, Continuous Improvement, Process Approach, and Management by Fact, Strategic Management, Leadership and Employee Involvement. These conclude that small hotels in Region VI have minimum compliance in the implementation of Total Quality Management standards and practices.

3. Result revealed significant differences in all the aspects of Total Quality Management initiatives in terms of Customer Focus, Continuous Improvement, Process Approach, Management by Fact, Strategic Management, Leadership and Employment Involvement, when group according to category. These conclude that the perception of the respondents were different in terms of the extent of implementation of Total Quality Management initiatives.

4. Results revealed the significant difference between and among the rating of the respondents on the extent of implementation of Total Quality Management according to category and across provinces in terms of Customer Focus, Process Approach, Management by Fact and Employee Involvement. These conclude that the perception of the respondents were the same in terms of the extent of implementation of Total Quality Management initiatives but differs from one province to another. This also further concludes that there were significant differences in the ratings of the respondents in terms of the construct mentioned across provinces.

5. The present Total Quality Management initiatives in terms of Continuous Improvement, Strategic Management, and Leadership revealed no significant differences in the ratings of the respondents according to category and across provinces. These concludes that the perception of the respondents were the same in the extent of the implementation of Total Quality Management initiatives in terms of the following construct mentioned.

6. Result revealed the most prevalent problems encountered by the respondents in the implementation of Total Quality Management standards and practices. Top management selected differently the problems encountered from the rank in files. This concludes that top management is the one knowledgeable on the operation of the organization and has a wider responsibility in whatever problems occurred in the establishment. As to what Zakuran et al (2012) states that “Top Management plays a critical role in any key business decision. Consequently, the success of any critical decision made in an organization is highly dependent on top management support and commitment .Ranks in files are the person who obey

and follows the decision or rules and regulation implemented by the top management. Priorities of the management are for the betterment of the organization.

5. RECOMMENDATIONS

Based from the findings and results of investigation as well as the conclusion derived from the findings the following recommendations were drawn:

1. Results of the study will be used in the development of Total Quality Management Framework for small hotels in Region VI as guidelines of the organization in setting up and planning of their goals. This is very important in certain business or organization especially for their operation so that their actions will be in accordance with the required standards and practices.
2. Involvement and participation of top management and rank in files are highly encouraged in setting and planning of organizational goals.
3. Strategies must emphasis on the important aspect of Total Quality Management standards and practices that could really enhance the practices and can benefit organization as well.
4. Employees are encouraged to consistently attend seminars and workshop on the current trends and issues concerning Total Quality Management so as to perpetuate excellent practices in all of its initiatives.
5. Hotel owners and top management should inculcate the importance of Total Quality Management standard and practices in hotel establishment to new and old employees regularly and providing the hotels with adequate tools, facilities and equipment and materials to ensure the best implementation of these initiatives to the hotels.
6. Implement strict adherence with the help of Government Agency to the Total Quality Management initiatives among small hotels in Region VI as to align them to other hotels with Quality Management standards and practices.
7. Recommend future researchers who are interested to conduct a study on the same field to enhance their knowledge on Total Quality Management standards and practices and its implementation to an organization or company.

With these recommendations a Total Quality Management model was formulated to promote small hotel in Region VI, the used of strategies and initiatives as guidelines in the implementation of quality management standards and practices in the organization.

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