

**UNIVERSITI TEKNOLOGI MARA**

**MUSLIM-FRIENDLY HOTELS IN  
MALAYSIA: ANALYSING SERVICE  
PERFORMANCE VIA MUSLIM  
FRIENDLY SERVICE SUUPLY  
CHAIN MANAGEMENT, INTERNAL  
MEASUREMENT OF SERVICE  
QUALITY, EMPLOYEES'  
RELATION, AND THE MEDIATING  
ROLE OF EMPLOYEES' SERVICE  
BEHAVIOUR**

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## ABSTRACT

Muslim-friendly Hotels (MFHs) are accommodations that offer services and facilities in line with Muslim-friendly principles. The demand for MFHs has increased in recent years as Muslim travellers look for experiences that align with their religious and cultural beliefs. The popularity of Muslim-friendly Hotels (MFHs) has surged globally due to their unparalleled services catering to the unique requirements of Muslim travelers, including provisions like Halal food, separate swimming pools, prayer rooms, and Quranic literature. However, studies reveal operational challenges in Malaysian MFHs, particularly in service standardization and operational requirements, leading to an unstable operating system. These challenges, identified by various studies, contribute to high uncertainty among MFH administrators, impacting service performance and customer satisfaction, emphasizing the crucial need for innovative solutions to meet the diverse needs of guests. Therefore, this study aimed to investigate the service performance of MFHs using the concept of Service Supply Chain Management (SSCM) and develop a model of Muslim Friendly Service Supply Chain Management (MFSSCM). The theoretical framework for the study included five dimensions, namely Demand Management, Customer Relationship Management, Service Performance Management, Internal Measurement of Service Quality (INTQUAL), and Employees' Relation and Service Behaviour. This study addresses a significant gap in research by focusing on the challenges faced by administrators of MFHs in Malaysia, specifically in improving service performance. By introducing the novel MFSSCM model and conducting a comprehensive assessment, the research aims to provide administrators with actionable insights to enhance operations and elevate customer service standards in the unique context of MFHs. A survey of 12 certified MFHs in Malaysia was conducted, and the resulting data was analysed using Partial Least Square methods (PLS-SEM). The findings of the study showed that the multi-practices construct of MFSSCM, particularly Demand Management, significantly influenced service performance in MFHs. The results also indicated that the management of expectations was the most crucial factor in the relationship between INTQUAL and service performance. Additionally, the study found that Employees' Relation, consisting of Co-workers' and Superiors' Influence, had a significant direct effect on service performance. Finally, the study provided evidence of the multiple mediating effect of Employees' Service Behaviour between MFSSCM, INTQUAL, Employees' Relation, and Service Performance. In summary, the study contributes to advancing the understanding of service performance in MFHs and the hotel industry by demonstrating the importance of Demand Management, Management of Expectations, Employees' Relation, and Employees' Service Behaviour.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Preamble**

This chapter sets the ground basis of the study. It commences with the background of the study, which emphasizes the current situation and challenges on Muslim Friendly Hotels (MFHs) in Malaysia. This chapter highlighted the problem statement or issues about MFHs that need to be tested to achieve promising service performance. This chapter also highlighted and relates to the Muslim Friendly Service Supply Chain Management (MFSSCM) practices, Internal Measurement of Service Quality (INTQUAL), and employees' relation between employees' service behaviour and service performance. The research objectives and research questions are discussed in the subsequent section. As the significance of the study from academic and practical perspectives is considered relevant and the common practice in any empirical research, it is also described. The definition of key terms used explicitly throughout this thesis is also highlighted in this chapter.

### **1.2 Background of The Study**

The hospitality industry, which encompasses a range of sectors including tourism, has experienced momentous growth in recent decades, both on a domestic and international level (Bieger & Wittmer, 2021; Shnyrkova & Predvoditeleva, 2019). One precise segment of the tourism industry that has experienced fast development is Muslim tourism. According to Omar et al., (2021) and El-Gohary (2015), Muslim tourism is one of the worldwide tourism segments that recorded the fastest development due to the increasing number of Muslim travellers. In Malaysia, the tourism industry has contributed to Malaysia's economy, especially in the hospitality sector, particularly in Muslim tourism (Omar et al., 2021; Ismail, 2021; CrescentRating, 2017). With its diverse cultural offerings, beautiful landscapes, and wide array of halal food options, Malaysia has become a top destination for Muslim travellers worldwide.

In fact, based on statistics reported by the Islamic Tourism Centre, Malaysia is the most favoured destination for Muslim travellers worldwide in 2018 and 2019 which