

The Development of a Service Delivery Improvement Model for the Malaysian Hotel Sector: A Focus on the Developing, Formulating, Synthesising and Refinement of a New Model

*Barry O'Mahony and Johanudin Lahap
School of Hospitality Tourism and Marketing,
Victoria University, AUSTRALIA*

*Jim Sillitoe
Institute for Professional and Organizational Learning,
University of Ballarat, AUSTRALIA*

ABSTRACT

The hospitality and tourism industry makes a significant contribution to the economic development of many countries with some being reliant on tourism as a major catalyst for growth and development. This is the case in Malaysia where the tourism industry has been hosting large numbers of tourists arriving for business or vacation purposes as well as transient passengers en-route to other destinations. Indeed in 2009, the hospitality and tourism sector contributed RM26.6 billion towards the Malaysia Gross Domestic Product (GDP) and it was ranked second, after the manufacturing sector, in terms of overall economic contribution (Ministry of Finance/Central Bank of Malaysia, 2010). The Malaysian hotel industry has experienced significant growth in the last 10 years and many hotels in Malaysia are now opulent, with new hotels achieving the highest standards of presentation. However, service delivery often lags behind the physical environment and struggles to meet international standards and therefore the expectations of international guests. There are diverse views among service quality researchers as to how to improve service

delivery standards. This paper seeks to examine an appropriate service delivery improvement model that provides a framework that can be used to attract, train, motivate and retain employees. The main arguments relate to the means to achieve customer satisfaction and to develop customer loyalty. The general view among scholars is that there is a link between employee satisfaction and job performance. This is evident within the literature where many strategies that have been developed to enhance both products and services in a variety of contexts are presented.

Keywords: *Total Quality Management (TQM), Six Sigma (SS), SERVQUAL (SQ), Relationship Marketing (RM), Internal Marketing (IM) and Internal Market Orientation (IMO).*

INTRODUCTION

Tourism is an important industry contributing at least 6% of the world's GDP and employing over 127 million people worldwide (Holloway, 2002). The industry makes a significant contribution to the economic development of many countries with some countries reliant on tourism as a major catalyst for growth and development. This is the case in Malaysia where the tourism industry has been hosting large numbers of tourists arriving for business or vacation purposes as well as transient passengers' en-route to other destinations. In 2009 the hospitality and tourism sector contributed RM26.6 billion to the Malaysia Gross Domestic Product (GDP) and it was ranked second, after the manufacturing sector, in terms of overall economic contribution (Ministry of Finance/Central Bank of Malaysia, 2010). The growing number of tourist arrivals has led to an increase in the provision of hotel accommodation. In 1996, for example, there were 1,669 hotels available and by 2008 the number had increased to 2,373. Statistics provided in a Malaysian Government plan show that the number of hotels at all rating levels (from one star to five star) increased by 29.7% between 1996 and 2008. Growth in tourist arrivals increased by 9.5% in 2009 and the average increase in the last six years (2003-2009) has been 10.2% (Ministry of Finance [MOF], 2008). Although growth in tourist arrivals is above the national average for the industry worldwide, hotel development within Malaysia has been increasing at a rate that is higher than the increase in tourist numbers. This increase in available rooms has increased competition within the hotel sector and as a result, hotels now need to compete vigorously to remain viable.

Intense competition has been a feature of the tourism industry for some time and this has led to the development of sophisticated marketing strategies. However the hotel sector has traditionally been slow to adopt these innovations (Renaghan, 1995; Fyall & Spyriadis, 2003). O'Mahony (2006) notes, for

example, that instead of improving service and developing distinctive products that satisfy the needs of their customers, hotels tend to concentrate on improving revenue through increased sales, generally by lowering prices. Citing previous experience with diminishing tourism numbers, industry analysts caution that hospitality operators need to understand that aggressive discounting and the accompanying erosion of profits are unsustainable (Thomas, 2009). Moreover, there is general agreement within the literature that enhancing the service experience and developing lasting host-guest relationships is the key to future sustainability and growth (Berry & Parasuraman, 1991; 2000; Lashley, 1996; Lings, 2004; Gounaris, 2006; 2008a; 2008b; Sophonsiri et al. 2008). As Stephen Carter, the highly successful Managing Director of Cameron House Resort notes, enhancing service involves providing service that is superior to the competition, whilst 'good profitable customer service is about building relationships' (cited in Loosekoot, 2009, p. 8). Carter's contention is supported by recent studies that highlight the nexus between guests' commitment to ongoing relationships with hotels and positive business outcomes which include repeat visitation and/or positive word of mouth communication (Bowen and Shoemaker, 2003; Sophonsiri, 2008). Superior service is a multi dimensional construct, however, that includes corporate goals; organisational strategies; policies and procedures; work systems; job design and a variety of supporting elements. Not least among these is the human dimension, which recognises that the hospitality sector relies on people rather than technology to deliver appropriate standards of service (O'Mahony & Sillitoe, 2001; Teare, et al. 1994).

As noted earlier, the Malaysian hotel industry has experienced significant growth in the last 10 years and many hotels in Malaysia are now opulent, with new hotels achieving the highest standards of presentation. According to Lau, et al. (2005) however, service delivery lags behind the physical environment and struggles to meet international standards and thus the expectations of international guests. The main focus of this paper therefore is to evaluate existing service improvement models within the literature to assess their suitability for the hospitality sector in Malaysia. The hospitality industry in Malaysia is developing rapidly within an era of intense competition and is made up of a number of high quality hotels. However, the physical and often opulent hotel environment needs to be supported by high quality service in order to meet the expectations of international guests and encourage repeat visitation. This study aims to develop a customised service delivery model to improve service delivery within the Malaysian hotel industry. The key to improving service is to focus on hotel employees and thus the development of a service improvement model must focus on elements of employment such as improving levels of job turnover, job performance and satisfaction among hotel employees which in turn will lead to customer satisfaction.

LITERATURE REVIEW

As the literature review will show, there are diverse views among service quality researchers as to how to improve service delivery standards. The main arguments relate to the means to achieve customer satisfaction and to develop customer loyalty. Notwithstanding the distinction between satisfaction and customer loyalty, there is general agreement among scholars that there is a link between employee satisfaction and job performance. In other words, employees are an essential service delivery element in producing the highest quality of service. In developing a service improvement model that is appropriate for the Malaysian hospitality sector, it has been found that there are a number of existing models within the literature that could assist in this development. A review of the literature shows, for example, that many strategies have been developed to enhance both products and services in a variety of contexts. Among the better known of these are: Total Quality Management (TQM), Six Sigma, SERVQUAL, the Relationship Marketing paradigm (RM), Internal Marketing (IM) and Internal Market Orientation (IMO).

Total Quality Management (TQM)

The goal of Total Quality Management (TQM) is to produce products and services of a consistently high quality. Indeed, TQM was created to improve firms' competitive advantage in the long run which is also a feature of this study. TQM includes programs such as communication, employee empowerment, increased training, management-employee relationship development and the creation of an open organization. Although TQM incorporates valuable elements for the improvement of business processes for example, as a philosophy for constant improvement, leadership, planning, training, and human resource management (Powell, 1995), TQM was developed for the manufacturing industry and has only been used in a small number of service organizations. According to Sureshchandar et al. (2001) the reason it has not been widely practised in the service sector is because of differences between product and service characteristics. These are many and varied, however one important difference is that the quality of products can be controlled and defects rectified after the goods have been produced. In the service sector products and services are produced and consumed simultaneously and there is no opportunity to rectify a fault before the customer consumes it. A simple example would be an overcooked steak (product) or providing an incorrect meal to a guest (service). In addition, the implementation of TQM is costly and involves large scale resources and the development of extensive performance measures (Naj, 1993; Fuhcsberg, 1992a; 1993b; Schaffer and Thompson, 1992). The concept of perishability is another important issue that separates products and services. Services cannot be stored or placed in inventory, which means that if a hotel has 100 rooms and

only manages to sell 40 rooms for that day, the remaining 60 rooms represent revenue forgone (Kotler, Bowen and Makens, 2010). In summary, Total Quality Management (TQM) is a philosophy that has been proven to improve quality in the production process and, to a limited degree, services.

Six Sigma (SS)

Another well known model for business improvement is Six Sigma, a product improvement strategy that emphasises zero defects in products. The philosophy is used to identify failure along the production process and to ensure that such failures are dealt with on the factory floor (Breyfgogle, 2003). Teamwork is one of the pillars of the Six Sigma methodology (Breyfgogle, 2003; Llorens and Molina, 2006; Lowenthal, 2002; Pande et al. 2002). As a result, continuous improvement is developed through different projects assigned to teams of workers. The success of improvement projects depends on these cross-functional teams (Pande et al., 2002; Shamji, 2005) due to the fact that team members are the main carriers of the underpinning philosophy (Thawani, 2004). Under Six Sigma, team members are assigned roles using the terminology “Champions”, “Master Black Belts”, “Black Belts” and “Green Belts”. According to Gitlow (2005) and Pande et al. (2002), Champions refers to an executive committee – obtaining resources and eliminating of barriers; Master Black Belts refers to Top management which has important abilities and deep knowledge of the Six Sigma methodology; Black Belts refers to a full time agent or consultant tasked with the role of improving projects, and a Green Belt refers to an employee who is involved in an improvement project or leads a team but is only partly dedicated to this task, with the rest of their time spent on other projects or tasks.

Statistical process control is also a key element in Six Sigma. To this end, Six Sigma teamwork members are trained intensely in abilities, group dynamics and statistical methods and tools (Gitlow, 2005; Lee and Choi, 2006; Ravichandran, 2006). As a result, Six Sigma offers very solid statistical methodologies of experimentation and research (de Mast, 2006; Mc Adam and Laferty, 2004). In fact, the very definition given by Linderman et al. (2003) indicates how this initiative is grounded in statistical methods. Whilst it is an important component of the methodology, however, statistical analysis is less important than having a shared vision within the organization. This has been defined by Pearce and Ensley (2004, p. 260) as “a common mental mode of the future state of the team”. It represents the capacity for sharing the future image desired by firm members, developing common commitment to this future image and establishing some principle for pursuing it (Senge, 1992). Thus, it would appear that the main benefits of Six Sigma are developed over time and that the organization must first have in place a well defined system of management.

SERVQUAL (SQ)

As the study of service improvement evolved another service improvement framework called SERVQUAL was introduced by Parasuraman, Zeithmal and Berry in 1985. The SERVQUAL framework is developed to measure service gaps that occur between a customer's perceptions and a customer's expectations. As a result, service failure can be identified and rectified but only after a guest's service experience has been reviewed. The model originated from an exploratory study in the banking sector which sought to establish and measure customer behaviour and satisfaction when accessing financial services (Parasuraman et al. 1985). Later work by Parasuraman et al. (1988) compared various studies by other researchers that employed the SERVQUAL framework, and found that results differed. Studies shows both positive and negative outcomes; however, the SERVQUAL framework had successfully measured customer perceptions and customer expectations, but failed to measure whether a satisfied customer can be a loyal customer (Buttle, 1996). In addition, despite high acceptance of the SERVQUAL approach to measure customer satisfaction, Buttle (1996) argues that there are many gaps that are not addressed in the formulation of the model. Various studies on SERVQUAL have also found that the model could be significantly improved (Cronin and Taylor, 1994; Anderson, 1992; Oliver, 1993). Nevertheless, SERVQUAL appears to have the ability to identify service delivery problems and the results can then be used to make recommendations on what should be done to enhance service quality provided that customer perceptions and customer expectations are fully understood. The literature does show, however, that academics have diverse views about the value of the SERVQUAL model and one of the recent, major flaws that has been uncovered is the notion that achieving customer satisfaction does not necessarily lead to customer loyalty (Bowen & Chen, 2001; Mattila, 2001). Since the development of SERVQUAL, however, a new field of marketing has emerged specifically designed to develop lasting relationships with customers. Known as relationship marketing the elements of this approach are provided below.

Relationship Marketing (RM)

The relationship marketing paradigm is now considered to be among the most important aspects of marketing as many firms rely on this philosophy for business growth. Moreover, whilst relationship marketing covers various aspects of marketing activities (Dwyer and Rosemary; Schurr and Oh, 1986), Berry (1983, p. 25) regards, "relationship marketing as attracting, maintaining and – in multi-service organizations – enhancing customer relationships". Berry and Parasuraman (1991, p. 133) propose that "relationship marketing concerns attracting, developing and retaining customer relationships". In an

industrial marketing setting Jackson (1985, p. 2) refers to relationship marketing as “marketing oriented toward strong, lasting relationships with individual accounts”. These elements of the relationship marketing paradigm fit neatly with the aims of this study. However, Berry and Parasuraman (1991) assert that in order to satisfy the customer, first, firms must assess their internal employees’ needs and wants. The essence of Berry and Parasuraman’s (1991) research is that by attracting, developing, motivating and retaining customer conscious employees, firms could achieve their goals in satisfying and also retaining customers. Their work attempts to achieve the same goals as relationship marketing but introduces the concept of first satisfying the needs and wants of employees (Berry and Parasuraman, 1991). Moreover, relationship marketing is seen as an extension of services marketing, which is the discipline area from which SERVQUAL emanates. One key element of relationship marketing, which has been identified and expanded upon by Berry and Parasuraman (1991), is acknowledgement of the important role of service employees in developing ongoing relationships. These internal processes, which have been found to have a significant impact on service delivery, lead to the next section which explains the internal marketing environment.

Internal Marketing (IM)

Over a period of time it has become known that in any service organization, the main executors of the service are the organization’s employees. Internal marketing specifically focuses on the vital role of human resources in service delivery. In this context attracting, developing, motivating and retaining qualified employees through the development of jobs that satisfy employee needs is at the core of service success (Berry and Parasuraman, 1991; Arnett, Laverie and McClane, 2002; Crick, 2003). Internal marketing is the philosophy of treating employees as customers and the ultimate goal is to encourage effective marketing behaviour in order to build an organization of employees willing and able to create true or loyal customers for the firm (Gounaris, 2008). By satisfying the needs of its internal customers, a firm enhances its ability to satisfy the needs of its external customers. There are seven basic dimensions of internal marketing. These are: competing for talent, offering a vision, preparing people to perform, stressing team play and leveraging the freedom factor, which relates to employee freedom to make decisions and is another term for empowerment (Spreitzer, 1992; 1995; Fulford and Enz, 1995; Lashley, 1996). In addition, Khatri (2000) Lings (2004) and Gounaris (2006) all assert that employee benefits and rewards are one of the most significant factors that contribute to high quality service. They maintain that if employees are properly rewarded and compensated a feeling of self belonging is automatically triggered. In addition, Spector (1994) asserts that pay, fringe and other benefits also contribute towards employee morale, job performance and satisfaction.

Berry and Parasuraman (1991) reinforce the importance of employees by suggesting they are another type of customer. Lings (2004) agrees with this proposition, revealing that there are two types of customer that organizations need to consider, and these are the employee and the customer. Lings advises that it is the responsibility of the organization to recognize the significant contribution of both internal and external customers. In other words, both customers have needs and wants to be fulfilled. Reflecting on this research, it has been clear from the model developed by Berry and Parasuraman (1991) and others that a focus on human resources will be an essential element in improving service delivery. This is confirmed by Spector (1994) who advises that if a service organization takes employees' intrinsic and extrinsic needs and well-being seriously, the possibilities of an employee providing high quality service is greatly improved.

Since the internal marketing paradigm was first aired, however, Gounaris (2006) conducted an extensive review of all of the literature on internal marketing that was published between 1976 and 2006. He identified three discipline areas or mainstream areas of study which focus on internal marketing. These are marketing, human resource management and interdisciplinary or combined studies where marketing and human resource management have been intertwined. From this work six basic internal marketing categories have been identified as important. These are recruitment and retention, reward systems, management support, training, organizational dress and empowerment. Internal marketing is gaining in popularity because it is known to have the capacity to improve service. Over time, however it has been expanded to encompass additional dimensions under the Internal Market Orientation framework. The Internal Market Orientation framework was introduced by Lings (2004) and Lings and Greenley (2005) and supported by Gounaris (2006; 2008a; 2008b).

Internal Market Orientations (IMO)

As the review of previous quality improvement models has shown there are a variety of perspectives from which the issues of quality can be researched. The review to date has identified a number of models from both the manufacturing and service sectors each with important components and stemming from both the disciplines of management and marketing. This would suggest that none of the existing models is likely to contain all of the elements required for service improvement within hotels in Malaysia. However, a model could be developed from these works. Internal marketing, for example, seems appropriate because of its concentration on human resources. More recent studies have also extended this work. Lings and Greenley (2005), for instance, developed what they term Internal Market Orientation (IMO) which is a framework based on Kohli and Jaworski (1990) and Narver and Slater's (1990) studies from the 1990s. The concept of marketing orientation was developed to link the internal environment more

closely with the external marketing environment via the well-known marketing mix concept (4ps) (Kotler et al. 2010). Marketing orientation is also designed to gather information from customers to improve products and services. Although most of the dimensions of market orientation (noted earlier) are repeated in internal market orientation (IMO), Lings' (2004) concentration was on the use of the concept as a tool to measure employee and employer relationships with a specific emphasis on the notions of employee readiness, effectiveness and efficacy in producing quality service. This is important in this study because results from Lings and Greenley's (2005) study show that by improving the relationship between employees and their employer a service organization can deliver exceptional levels of service that not only satisfy customers but entice those customers to return.

Lings and Greenley (2005) also emphasize the importance of employee to employee or horizontal communication, whilst Johlke and Duhan (2000) stress the importance of employer to employee or vertical communication advising that the need to have better communication is imperative because effective and efficient service organizations rely on substantial levels of communication among employees and employers to deliver quality service. Whilst there are many similarities between market orientation and internal market orientation in practice they are quite different. Within the market orientation (MO) framework for example, the main emphasis is on solving customer needs and wants by practising several marketing efforts to discover in depth what customers really want in order to satisfy their needs when purchasing products and services (Kohli and Jaworski 1990; Narver and Slater 1990). Internal market orientation (IMO) assumes an understanding of customer needs focusing instead on service employees' needs and wants. Gounaris (2006) validates this position by exploring the use of the internal market orientation framework to enhance employee satisfaction with a view to increasing customer satisfaction. He studied a compilation of compelling related research on internal marketing from 1976 to 2006 (30 years), concluding that an Internal Marketing program is essential to a service organization.

Furthermore, findings from previous research show that organizations that embrace an Internal Marketing program achieve a significant outcome as the main objectives of the program are to increase service efficiency by examining service employee needs and wants. As a result, Internal Marketing programs are considered to be among the better approaches to improve service (Gounaris, 2006; 2008a; 2008b). A review by Rafiq and Ahmed (2000) found however, that the number of firms adopting Internal Marketing as a marketing strategy remains small. He contends this is due to a lack of a unanimously agreed definition on how to use internal marketing in various service industries. Using Lings' (2004) framework, Gounaris (2008b) has conducted an empirical study with hotel frontline employees. The findings were conclusive in that all employees expressed the view that hotel employers should give more consideration to

service employees' needs and wants in order for them to produce high quality service. Gounaris' work provides a background framework for this study and would appear to be the most applicable approach to assist with this research. However, the review of other quality assurance models would suggest that a number of other elements, which are not found under the umbrella of internal market orientation, should be added. Dimensions such as strategic human resource management (recruitment and selection, training and development, compensation and performance appraisals) and the concept of empowerment are examples of components that should be explored as part of the process of formulating a new service delivery improvement model that would be suitable for the Malaysian Hotel Industry.

METHODOLOGY

This research adopts qualitative and quantitative research methods, in a study that involves three distinct phases as follows: Phase one (1) will involve engaging with the literature to develop an appropriate model for the hospitality sector. Phase two (2) will seek expert advice on the content of the proposed model view and its potential to improve service in the Malaysian hotel sector. Phase three (3) will involve conducting a survey of hotel employees to determine the current state of play within the four and five star hotel sector and to assess the readiness of this sector for the introduction of the service improvement model. The details of each phase will be further elaborated upon below. As noted earlier, this phase of the research will examine previous service improvement models such as Total Quality Management (TQM), Six Sigma (SS), SERVQUAL (SQ), Relationship Marketing (RM), Internal Marketing (IM), and Internal Marketing Orientation (IMO) and develop a model that contains the most appropriate variables from previously validated studies for the Malaysian hotel sector.

This modified model, with elements selected from various service improvement models, will then be presented to key tourism and hospitality stakeholders in the second phase of the research. (Please refer to diagram attached). The proposed model will be presented to selected key stakeholders in Malaysia in a group interview with representatives of major hotels (General Managers and Human Resource Managers), representatives from the Ministry of Tourism, representatives from the Ministry of Human Resources and representatives from the education sector, that is, hospitality and tourism educators from public and private universities. Insights from these representatives will be analysed and examined and the model will be modified on the basis of their expert opinion. Table 1 below shows the number and background of the proposed respondents in phase two.

Table 1 shows the respondents that will be selected to take part in phase 2 of the study. General Managers and Human Resource Managers for the hotel

sector have been chosen because these positions collectively manage all human resource activities (rules and regulations, human resource policies, programs, systems and training) within hotels. Ministry of Tourism representatives have been chosen because this department governs the Malaysian Tourism Industry and the Ministry of Human Resources has been chosen because this department governs the Malaysia Labour Force and has a significant role in labour force development including education and training. Indeed, all of the above entities are involved in some way with short and long term planning for future tourism and human resource development for Malaysia.

The insights from Hospitality and Tourism educators will be valuable in relation to future recommendations as they provide hospitality and tourism programs to develop the future supply of human resources to the hospitality and tourism sector. In this phase, an in-depth group interview with a series of open-ended questions relative to the proposed service improvement model will be adopted. As a result, qualitative data analysis will be used to interpret and analyse the data gathered from these respondents. A total of eight respondents will be selected because group interviews work best with between 6 and 10 respondents (Minichiello et al., 1995).

Table 1: Selected respondents for phase 2 of the research

No.	Target Respondents	Related entity	5 star hotels	4 star hotels	Total
1.	General Manager		1	1	2
2.	Human Resources Manager		1	1	2
3.	Ministry of Tourism	1			1
4.	Ministry of Human Resource	1			1
5.	Hospitality and Tourism Educators	2			2
Total		4	2	2	8

Steps involved in relation to the procedures for data collection:

Phase 1 Model Development

As noted earlier, this phase of the research will examine previous service improvement models such as Total Quality Management (TQM), Six Sigma (SS), SERVQUAL (SQ), Relationship Marketing (RM), Internal Marketing (IM) and Internal Marketing Orientation (IMO) and develop a model that contains the most appropriate variables from previously validated studies for the Malaysian hotel sector. This modified model, with elements selected from various service improvement models, will then be presented to key tourism and hospitality stakeholders in the second phase of the research.

The service improvement model will then be modified to include or exclude elements that the expert group believe are not suitable for the Malaysian hotel sector. The model which is expected to include many dimensions of IMO will then need to be further examined to ensure that it is appropriate and will need to be further refined in relation to potential implementation. According to Lings (2006) a significant step in this process is the state of readiness of the service sector in which such a model is to be employed. To this end this study will examine the state of readiness of hotels by surveying employees with direct customer contact, that is, hotel employees from the Rooms Division and the Food and Beverage departments.

This strategy will be used because the hospitality industry is traditionally divided into two main areas which are: Rooms Division and Food and Beverage. Respondents from the Rooms Division and Food and Beverage departments will be chosen because they are highly involved with customers during service processes. That is, they have direct contact with customers in the delivery of hotel services. A questionnaire will be developed for these respondents based on the dimensions of various service improvement models. Further review of the models presented in Section 1 shows, for example, that Internal Marketing (IM) and Internal Market Orientation (IMO) have the most potential for service improvement, however, the dimensions of other models might also be important.

As a result, a survey questionnaire will be developed based on Gounaris' (2008a; 2008b) dimensions of Internal Market Orientation (IMO) as these dimensions have already been measured and validated through a series of empirical studies (Gounaris, 2006; 2008a; 2008b). In this study, however, a pilot study will be conducted to ensure that any new questions that are adopted from other models are suitable and valid for this research. The pilot study will involve scrutiny of the questionnaire by academics in hospitality and tourism at Victoria University and a trial with hospitality industry personnel in a Melbourne hotel. Once the pilot study has been conducted a sample will be drawn from four and five star hotels in Malaysia. Respondents will represent Rooms Division and Food and Beverage departments, and 300 respondents will be surveyed.

Sampling and Justification

In phase 3 the sample will be drawn from four and five star hotels within the Klang Valley (Kuala Lumpur Selangor and Putrajaya). Four and five star hotels will be chosen as the target sample as these establishments are recognized as having well defined management systems, organizational structures and large well-staffed departments. As such they are the most popular accommodation choices for foreign and domestic tourists (Tourism Malaysia, 2009). The Klang Valley has been identified as the geographical sampling area, because the

region includes the main CBD (Central Business District) of Kuala Lumpur, the capital city of Malaysia. The region is also the most popular choice for business, transitory and vacation tourists with more than 11.1 million (39.1% from Malaysia overall) tourist visits in 2009. Kuala Lumpur the capital city is known as the gateway to Malaysia and 15.8% of all hotels in Malaysia are in the Kuala Lumpur Region. The capital and its surrounding cities (Putra Jaya, and Selangor) are considered the most sophisticated in terms of service delivery of all Malaysian states. Furthermore, the limited timeframe available, (i.e. three years of enrolment in doctoral studies) and monetary resources mean that not all regions of Malaysia can be surveyed. A total of between ten to twenty hotels will be selected to take part in the study.

Phase 2

A panel of experts has been selected for their expert opinion in developing a new service delivery improvement model. As noted on page 7 eight members will be selected for this study. In order to recruit these experts the researcher will go to the respondents' offices and explain the study. In Malaysia it is considered inappropriate to conduct this preliminary step on the phone so the first stage in gaining approval needs to be a face to face visit. Each member of the expert panel will be visited in this way. Once the study has been explained, the information sheet will be distributed and discussed and respondents will be asked to consent to take part in the research. Once consent has been obtained the researcher will give participants further detailed information about the study to prepare them for the group interview. Respondents will be encouraged to contact the researcher prior to interview should any questions arise about the process. Three weeks will be allowed for this information to be reviewed. The researcher will then conduct a group interview with eight experts in a roundtable discussion. This discussion will be recorded and experts' opinions will be transcribed for analyses.

Phase 3

A total number of 10 or more hotels (five 5 star and four 4 star hotels) will be used as a target sample. The researcher will select hotels ranging from 4 to 5 stars with particular emphasis on those hotels that provide industry placements at the researcher's home university, the University Technology of MARA (UiTM), where the researcher is a member of the academic staff in the hospitality program. The researcher will then visit the selected hotels and meet with the Human Resource Manager/Director to obtain their consent. As soon as consent has been granted the researcher will provide a pack of 30 information sheets, 34 consent forms and 30 questionnaires (15 for the Front Office and 15 for Food and Beverage employees) to the Human Resource Manager for distribution. These packs will then be distributed to both

departments via the Human Resource Manager/Director. Prior to completing the questionnaire a consent form will be provided to each employee who shows an interest in becoming involved in the study. Once employees have filled this in they will be encouraged to proceed to the questionnaire.

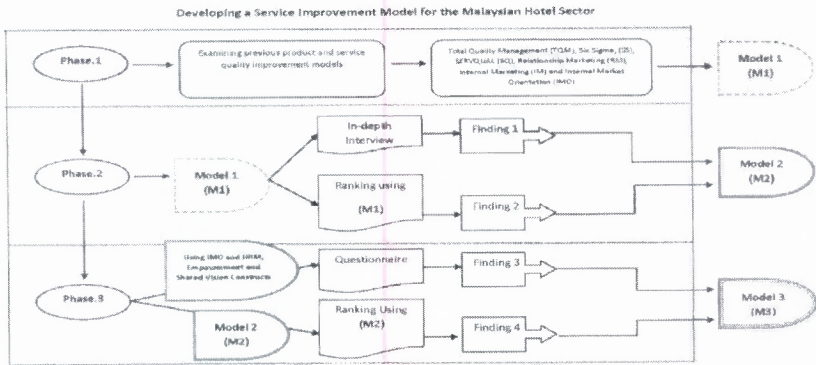
Table 2: The selection process for industry personnel (from Rooms Division and Food and Beverage Departments) in Malaysian hotels

4 Star	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Total
Rooms Division Department	15	15	15	15	15	75
F & B Department	15	15	15	15	15	75
Total	30	30	30	30	30	150

5 Star	Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Total
Rooms Division Department	15	15	15	15	15	75
F & B Department	15	15	15	15	15	75
Total	30	30	30	30	30	150

Grand Total	300
--------------------	------------

Research Process



Formulation of the Model

First Stage: Formulation of the model from various product and service improvement models.

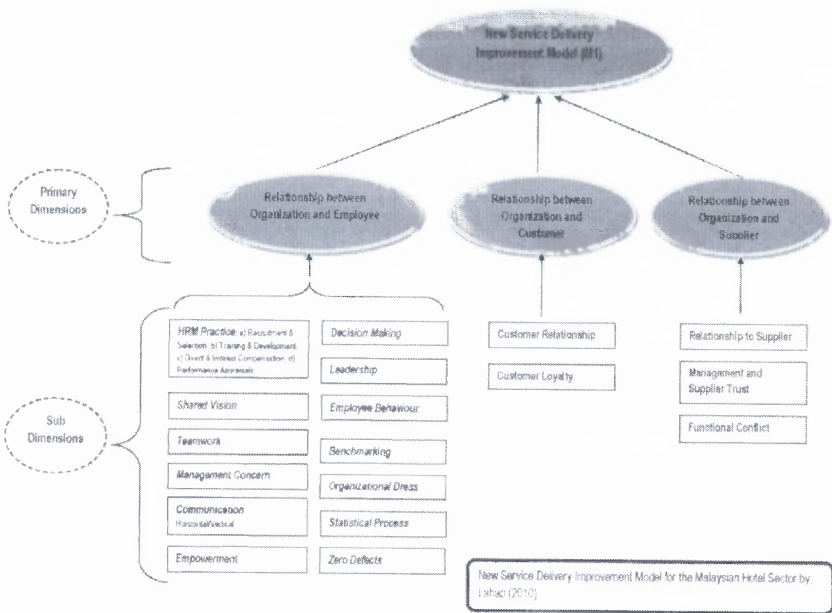
Quality Improvement Model - Syntheses

No	Abbr.	Quality Improvement Headings (40)	Quality Improvement Sub Headings	Important Elements (18)	Management and Employee (13)	Management and Supplier (3)	Management and Customer (2)
1	TQM1	Committed leadership	Leadership; Management Concern	Leadership	Leadership	Relationship to Supplier	Customer Relationship
2	TQM2	Adoption and Communication of TQM	Mission Statement, Shared Vision	Management Concern	Management Concern	Trust	Customer Loyalty
3	TQM3	Closer customer relationship	Management Concern; Customer Relationship	Shared Vision	Shared Vision	Conflict	
4	TQM4	Closer supplier relationship	Relationship to Supplier	Relationship to Supplier	Benchmarking		
5	TQM5	Benchmarking	Benchmarking	Benchmarking	Communication		
6	TQM6	Increased training	Training; Teamwork	Communication (HdV)	Empowerment		
7	TQM7	Open organization	Empowerment; Communications; Management Concern	Empowerment	Decision Making		
8	TQM8	Employee empowerment	Empowerment; Decision Making	Decision Making	Teamwork		
9	TQM9	Zero-defects mentality	Zero Defect	Teamwork	Statistical P. Control		
10	TQM10	Flexible manufacturing	Not applicable	Statistical P. Control	Organizational Dress		
11	TQM11	Process improvement	Training	Organizational Dress	Employee Behaviour		
12	TQM12	Measurement	Training; Performance Appraisals	Customer Relationship	HRM (RAS/ID/COPA)		
13	SS1	Teamwork in six sigma	Team Work	Customer Loyalty	Zero Defect		
14	SS2	Statistical process control in six sigma	Statistical Process Control	Employee Behaviour			
15	SS3	Shared Vision in the organization	Shared Vision	Trust			
16	SD1	Tangibles	Physical facilities; Equipment; Organizational Dress	Conflict			
17	SD2	Reliability	Training; Empowerment; Compensation; Leadership; C. Rel.	HRM (RAS/ID/COPA)			
18	SD3	Responsiveness	Training; Empowerment; Compensation; Leadership; C. Rel.	Zero Defect			
19	SD4	Assurance	Training				
20	SD5	Empathy	Communication; Customer Relationship				
21	RMD1	Termination costs	Relationship to Supplier				
22	RMD2	Relationship benefits	Customer Relationship; Customer Loyalty				
23	RMD3	Shared values	Shared Vision				
24	RMD4	Communication	Communication				
25	RMD5	Opportunistic Behaviour	Employee Behaviour				
26	RMKMV1	Commitment	Customer Relationship				
27	RMKMV2	Trust	Trust				
28	ORCT1	Aquiescence	Relationship to Supplier; Customer Relationship				
29	ORCT2	Propensity to leave	Relationship to Supplier; Customer Relationship				
30	ORCT3	Cooperation	Relationship to Supplier; Customer Relationship				
31	ORCT4	Functional conflict	Conflict; Customer Relationship; Relationship to Supplier				
32	ORCT5	Uncertainty	Decision Making				
33	IM1	Competing for talent	HRM				
34	IM2	Offering a Vision	Shared Vision				
35	IM3	Preparing people to perform	Training				
36	IM4	Stressing team play	Teamwork				
37	IM5	Leveraging the freedom factors	Empowerment				
38	IM6	Measure and reward	Performance Appraisal; Compensation				
39	IM7	Know thy customer	Customer Relationship; Management Concern				
40	IMH1	Recruitment/retention	HRM				
41	IMH2	Reward systems	Compensation				
42	IMH3	Management support	Management Concern				
43	IMH4	Training	Training				
44	IMH5	Organizational Dress	Organizational Dress				
45	IMH6	Empowerment	Empowerment				
46	IMC1	Internal market intelligence	Management Concern				
47	IMC2	Internal communication	Communication				
48	IMC3	Response to intelligence	Training; HRM; Management Concern; Compensation				

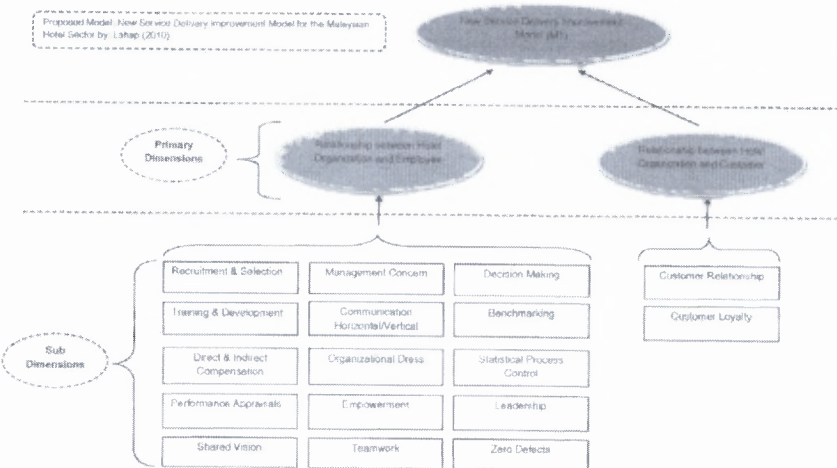
Second stage: Syntheses of various product and service improvement models



Third stage: Producing a newly proposed service delivery improvement model



Fourth Stage: Refinement of the proposed model



DISCUSSION

In analyzing various potential service improvement models and developing a customized model for the hospitality sector, this paper will extend the literature on how to improve service quality in the hospitality industry and within the service sector in general. In so doing it will determine how the benefits of service quality can best be realized and will extend our understanding of service improvement. In this way it will provide a strong academic base for future studies. This paper seeks to examine and explore an appropriate service delivery improvement model for the Malaysian Hotel Sector by including critical elements from a number of product and service improvement models. The critical elements may be valuable in cross national examination of these service delivery contexts.

Contribution to Knowledge (Academic Contribution)

The study will ascertain how the benefits of service quality from this research can best be realized and as such will extend our understanding of service improvement and provide a strong academic base for future studies. This study seeks to develop a service improvement model that incorporates employee job satisfaction in order to enhance job performance in the service industry and therefore will also have an impact on other disciplines such as Human Resource Management.

Statement of Significance (Practical Contribution)

This research proposes to investigate the extent to which a service delivery improvement model can be widely used in the hotel sector in Malaysia. This will be particularly valuable to the Malaysian Hotel industry which is an industry that now competes in the international tourism market and forms part of the government's vision to be a fully developed country by 2020 (Hassan 2008). In order to reach this goal, businesses within Malaysia have been challenged by former Prime Minister, Dr. Mahathir to improve products and services across the country including businesses in the hospitality and tourism industry. This vision was also supported by the fifth Prime Minister, Abdullah Ahmad Badawi, and his recent successor Mr. Najib Razak. Government support has included investment in physical infrastructure; however, it is left to individual businesses to improve the quality of their human resources. The aim of this study is to assist in improving Malaysia's competitive position by providing the research findings to the Malaysian government and local practitioners, so that the results can be used to enhance the competitiveness, effectiveness and efficiency of hospitality operations. In this way the study will have a capacity building role to assist future economic development within Malaysia.

Future Research Outcome

From the analysis process and expected outcome of this research, the main aims/objectives are: to examine and analyse the most significant elements of various product and service improvement models and to produce a new service delivery improvement model tailored to a Malaysian setting; to attain expert insights from the model developed to improve service delivery, and to obtain hotel employees' views on the elements of the model that most satisfy their needs and wants and can be addressed to achieve and produce high quality service.

CONCLUSIONS

In summary, throughout the 1980s it was accepted that meeting or exceeding customers' expectations would lead to customer satisfaction. Researchers then made a non-empirical judgment that achieving customer satisfaction would lead to repeat visitation. In the 1990s, however, research began to show that achieving customer satisfaction does not necessarily lead to customer loyalty. As a result, researchers began to search for a new model to improve customer service and develop lasting customer relationships. Service delivery in hotels is a human activity and is affected by a number of elements such as policies, procedures, training and employee commitment. Improving service delivery standards provides a more competitive product offering, which could serve to position the Malaysian hospitality industry at the cutting edge of international hospitality provision. In a competitive environment the outcomes of repeat visitation and positive word of mouth communication are central to the ongoing sustainability of hospitality operations.

REFERENCES

- Anderson, T. D. (1992). *Another model of service quality: a model causes and effects of service quality tested on a case within the restaurant industry*, in Kunst and Lemmink, J. (Eds), *Quality Management in service*, van Gorcum, The Netherlands, pp. 41-58.
- Arnett, B. D., Laverie, A. D. & McLane, C. (2002). Using Job satisfaction and Pride as Internal Marketing Tools. *Cornell Hotel and Restaurant Administration Quarterly*, 43(2), 87.
- Berry, L. L. & Parasurman, A. (1991). *Marketing Services: Competing Through Quality*. New York: The Free Press.

- Berry, L. L. & Parasurman, A. (2000). Cultivating Service Brand Equity. *Journal of the Academy of Marketing Science*, 28, 128-137.
- Bowen, J. & Shoemaker, S. (2003). Loyalty: a strategic commitment, *Cornell and Restaurant and Administration Quarterly*, 44(6), 31-46.
- Bowen, T. J. & Chen, S. L. (2001). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13, 5.
- Breyfogle, F. W. (2003). *Implementing Six Sigma: Smarter solutions using statistical methods*, Wiley: New York, NY.
- Buttle, F. (1996). *SERVQUAL: review, critique research agenda*. *European Journal of Marketing*, 30(1), 8-32.
- Crick, P. A. (2003). Internal Marketing in Caribbean Tourism. *International Journal of Contemporary Hospitality Management*, 15(3), 161.
- Cronin, J. J. Jr. & Taylor, S. A. (1994). SERVPERF versus SERVQUAL: reconciling performance based and perceptions-minus expectations measurement of service quality. *Journal of Marketing*, 58, 55-68.
- Demast, J. (2006). Six sigma and Competitive advantage. *Total Quality Management*, 17(4), 455-64.
- Dwyer, F. R. & Rosemary, R. L. G. (1986). *On the nature and role of buyer seller trust*. *AMA summer educators' conference proceedings*, T. Shimp et al. (eds) Chicago: American Marketing Association, pp. 40-45.
- Fuchsberg, G. (1993a). Baldrige award may be losing some luster. *Wall Street Journal*, p.1.
- Fuchsberg, G. (1993b). Small firms struggle with latest management trends. *Wall Street Journal*, p.2.
- Fulford, M. D. & Enz, C. A. (1995). The impact of empowerment on service employees. *Journal of Managerial Issues*, 7(2), 161-175.
- Fyall, A. & Spyriadis, A. (2003). Collaborating for Growth: The International Hotel Industry, *Journal of Hospitality and Tourism Management*, 10(2), 108-123.
- Gitlow, H. (2005). *Six Sigma for Green Belts and Champions: Foundation, DMAIC, Tools, cases and certification*, Prentice Hall: Englewood Cliffs NJ.

- Gounaris, S. (2006). Internal Market Orientation and Its Measurements. *Journal of Business Research*, 59, 432-448.
- Gounaris, S. (2008). Antecedents of Internal Marketing practice: some preliminary empirical evidence. *International Journal of Service and Industry Management*, 19(3), 400-434.
- Gounaris, S. (2008). The notion of internal market orientation and employee job satisfaction: some preliminary evidence. *Journal of Services Marketing*, 22(1), 68-90.
- Holloway, C. (2002). The Guide Tour: A Sociological Approach. *Annals of Tourism Research*, 8(3), 337-402.
- Jackson, B. B. (1985). *Winning and Keeping Industrial Customers*, Lexington, KY: Lexington Books.
- Johlke, C. M. & Duhan, F. D. (2001). Testing competing Models of sales force communication. *Journal of Personal Selling & Sales Management*, 21(4), 265-277.
- Khatri, N. (2000). Managing human resource for competitive advantage: a study of companies in Singapore. *International Journal of Human Resource Management*, 11(2), 336-365.
- Kohli, A. & Jaworski, B. (1990). *Market Orientation: the construct, research propositions and managerial implications*. Marketing Science Institute Report (page. 90-113). Cambridge, Massachusetts.
- Kotler, P., Bowen, T. J. & Makens, C. J. (2010). *Marketing for Hospitality and Tourism*. Prentice Hall, pp. 39, 5th Edition.
- Llorens, F. J. & Molina, L. M. (2006). Six sigma and Management theory: process, content and competitiveness. *Total Quality Management & Business Excellence*, 17(4), 485-506.
- Lashley, C. (1996). Research Issues for Employee Empowerment in Hospitality Organization. *International Journal of Hospitality*, 15(4).
- Lau, M. P., Akbar, A. K. & Fie, Y. G. (2005). Service Quality: A study of the Luxury Hotels in Malaysia. *The Journal of American Academy of Business*, 7(2).

- Lee, K. & Choi, B. (2006). Six Sigma management activities and their influence on corporate competitiveness. *Total Quality Management & Business Excellence*, 17(7), 893-911.
- Linderman, K., Schroeder, R.G., Zaheer, S. & Choo, A. S. (2003). Six Sigma: a goal-theoretic perspective. *Journal of Operations Management*, 21(2), 193-203.
- Lings, L. N. (2004). Internal market orientation: constructs and consequences. *Journal of Business Research*, 57(4), 405-13.
- Lings, L. N. & Greenley, G. E. (2005). Measuring internal market orientation. *Journal Service Res*, 7(3), 290-305.
- Loosekoot, E. (2009). Hospitality a people and profit thing. *The Hospitality Review*, April, 5-12.
- Lowenthal, J. N. (2002) Guia para la aplicacion de un proyecto seis sigma, FC editorial: Madrid.
- Mattila, M. (2001), *Essays on Customers in the Dawn of Interactive Banking*, Diss. Jyväskylä. University Printing House, Jyväskylä.
- McAdam, R. & Laferty, B. (2004). A multilevel case study critique of six sigma: statistical control strategic change? *International Journal of Operations & Production Management*, 24(6), 530-49.
- Minichiello, V., Aroni, R., Timewell, E. & Alexander, L. (1995), *In Depth Interviewing*, 2nd edn, Longman: Melbourne.
- Ministry of Finance, (2008). *Economic Report 2008 / 2009*. Kuala Lumpur, Malaysia: Percetakan Nasional Malaysia Berhad.
- Ministry of Finance, (2010). *Economic Report 2009 / 2010 (1st Quarter and 2nd Quarter)* Kuala Lumpur, Malaysia: Percetakan Nasional Malaysia Berhad.
- Naj, A. (1993). Some manufacturers drop efforts to adopt Japanese manufacturing technique. *Wall Street Journal*.
- Narver, J. & Slater, S. (1990). The effect of market orientation on Business profitability. *Journal of Marketing*, 50(3), 20-35.
- Oliver, R. L. (1993). *A model of service quality and service satisfaction: compatible goals, different concepts*. In Swartz, T. A., Bowen, D. E. and

- Brown, S. W. (Eds), *Advances in services Marketing and Management*, pp. 65-85. JAI Press: Greenwich CT.
- O'Mahony, G. B. (2006). *Understanding the impact of wine tourism on post-tour purchasing behaviour*. Centre for Hospitality and Tourism Research, Victoria University, Footscray Park, Melbourne, Australia.
- O'Mahony, G. B. & Sillitoe, J. F. (2001). Identifying the Perceived Barriers to Participation in Tertiary Courses among Hospitality Employees', *International Journal of Contemporary Hospitality Management*, 13(1), 21-29.
- Pande, P. S., Neumann, R. P. & Cavanagh, R. R. (2002). *Las claves de seis sigma: La implantacion con exito de una cultura que revoluciona el mundo empresarial*, Mc Graw Hill: Madrid.
- Parasuraman, A., Berry, L. L. & Zeithaml, V.A. (1985). A conceptual model of service quality and its Implications for future research. *Journal of Marketing*, 49, 41-50.
- Parasuraman, A., Berry, L. L. & Zeithaml, V. A. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Pearce, C. L. & Ensley, M. D. (2004). A reciprocal and longitudinal investigation of the innovation process: the central role of shared vision in product and process innovation teams (PPITs). *Journal of Organizational Behaviour*, 25, 259-78.
- Powell, C. T. (1995). Total Quality Management as competitive advantage: A review and empirical study. *Strategic Management Journal*, 16, 15-37.
- Rafiq, M. & Ahmed, P. K. (1993). The scope of Internal Marketing: Defining the boundary between marketing and human resource management. *Journal of Marketing Management*, 9, 219-232.
- Rafiq, M. & Ahmed, P. K. (2000). Advances in the internal marketing concept: definitions, synthesis and extension. *Journal of Services Marketing*, 14(6), 449-462.
- Ravichandran, J. (2006). Six Sigma milestones: an overall sigma level of an organization. *Total Quality Management & Business Excellence*, 17(8), 901-18.

- Renaghan, L. (1993). *The International hospitality industry: Organizational Operational Issues International hospitality marketing*. In P. Jones & A. Pizam (Eds.). Pp. 165-172. London: Pitman.
- Schaffer, R. & Thompson, H. (1992). Successful change programs begin with results. *Harvard Business Review*, pp.80-89.
- Schurr, P. H. & Oh, S. (1987). Developing Buyer seller Relationship. *Journal of Marketing*, 51(4), 11-27.
- Senge, P. (1992). *La Quinta Disciplina*. Granica: Barcelona.
- Shamji, N. (2005). Six Sigma basics. *Total Quality Management*, 16(5), 567-74.
- Sophonsiri, V. (2008). *Developing host-guest relationships in Thailand*. Doctoral Dissertation, Victoria University. Melbourne. Unpublished Ph.D Dissertation. School of Hospitality, Tourism, and Marketing Faculty of Business and Law.
- Sophonsiri, V., O'Mahony, G. B., & Silitoe, J. F. (2008). *Towards a Model of relationship development for Hospitality practice*.
- Spector, P. E. (1994). *Job Satisfaction: Application, assessment, causes and consequences*, Thousand Oaks: Sage.
- Spreitzer, G. M. (1992). *When organizations dare: The dynamics of psychological empowerment in the workplace*. Doctoral Dissertation, University of Michigan, Ann Arbor, Michigan. Dissertation Abstract International, 53(11) (UMI Report No. 83-104), Marketing Science Institute, Cambridge, MA.
- Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement and validation. *Academy of Management Journal*, 38(5), 1442-1465.
- Sureshchandar, G. S., Rajendran, C. & Anantharam, R. N. (2001). A conceptual model for total quality management in service organization. *TQM management*, 12(3), 343-363.
- Teare, R., Mazanec, J. M., Crawford-Welch, S. & Calver, S. (1994). *Marketing in Hospitality and Tourism: A consumer focus*. Cassell: London.
- Thawani, S. (2004). Six Sigma-Strategies for organizational excellence. *Total Quality Management*, 15(6), 655-64.
- Thomas, D. (2009). Hotel revenues to fall further than expected. *Caterer and Hotelkeeper*, 198(8), 8.