

Service Quality in the Hospitality Industry: A Case of Merit Crystal Cove Hotel for Employees

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Abstract

The main role of service quality is to differentiate your organization and become a unique investment in order to run the competition and increase occupancy level. To discuss the quality issue two steps take actual place; first one is the ``product quality`` and second one is the ``service quality``. The first part ``product quality`` is based on the organizations politics and strategies, we have tried to find out answers for how increase quality of the product that is serve to potential client. The increasing quality level of the product will increase the service quality as well. Second important step which has to be indicated is the ``service quality``. This part has a direct relationship with the employees and their motivation. Again in this research we have tried to find answers about employees' salaries, physical conditions, job security, company policies, opportunity for personal growth, working atmosphere and working hours. The relationship between ``service product`` and ``service quality`` will create the success and long-lasting profitability with loyal and satisfied clients. The main aim of this study is to find out the remaining service quality and try to increase with the information's gathered. The information has been collected throw a questionnaire prepared for employees. In this research there will be information about service quality, historical background of quality, characteristics of quality, quality of hospitality and finally principles of total quality management.

Keywords: service quality, customer satisfaction, employee motivation, total quality management

1. Introduction

Tourism is the fastest growing industry in the world over the past 50 years with no signs of slowing down in the 21st century. Apart from a country's beautiful environment, the warmth of the local population, and political and economic stability, tourists' memorable souvenirs are deeply influenced by the type of service that they lodge. Therefore, hotels have to strive to deliver to their guests, not only their products and services, but also 'quality' and 'satisfaction' that may lead to long-lasting survival and profitability. Quality is the cornerstone for success in any business and is perceived as a key factor in acquiring and sustaining competitive advantage. Many studies have shown that quality service increases market shares, provides greater return on investment and lowers production costs.

Providing quality service improves satisfaction of customers and this believed to lead to increased international visitation, repeat purchases of the same tourist products, customer loyalty and relationship commitment. Moreover, highly satisfied tourists spread positive word-of-mouth and in effect become walking, talking advertisements for providers whose service has pleased them, thus lowering the cost of attracting new customers. Also, highly satisfied customers may be more forgiving. Someone who has enjoyed good service in the past is more likely to believe that a service failure is a deviation from the norm. Hence it may take more than one unsatisfactory incident for loyal customers to change their perceptions and consider switching to an alternative service provider. Additionally, companies which command high customer satisfaction ratings also seem to have the ability to insulate themselves from competitive pressures-particularly price competition.

Customers are often willing to pay more to stay with a firm that meets their needs than to take the risk associated with moving to a lower-priced service provider. On the other hand, tourist dissatisfaction and low service quality may lead to unfavourable behavioural intentions, such as spreading negative comments about the service provider or even destination, changing destination for their holidays, complaining and redress seeking. Therefore, hotel operators have much to gain if they can understand tourists' expectations of them since this would assist them in serving their customer in better way.

The purpose of the study will be to find out the available quality level and try to increase by gathering the data we have collected by arranging the questionnaire both to clients and employees. The study will have brief information about definitions of service and quality, historical background of quality, characteristics of quality, service quality in hospitality industry lastly, definition and principles of TQM.

2. Literature Review

2.1 What is Service?

It is important to distinguish between a service and goods. Goods are most tangible (an object) while services are more of an act (a deed, performance or an effort). There are many definitions of services in the literature may depend on the author and focus of the research (Grönroos 2001). However, one of the most important and unique characteristics of services is that services are processes, Grönroos (2001) offer a comprehensive definition of service where is 'an activity or series of activities of a more or less intangible nature than normal, but not necessarily, take place in the interaction between the customer and service employees and physical resources or goods and systems of the service provider, which are provided as solutions to customer problems'.

2.2 What is Quality?

Needs, wants, requirements and expectations are something that everyone has. Furthermore it is essential for services and products to full fill the purpose for which they have been acquired and for life to have needs. Everyone has basic physiological needs; food, water, clothing, and shelter are needs that necessary to sustain life. After those needs are fulfilled, safety emerges followed by social needs and finally self-actualization or the need to realize ones full potential. Individual needs are fulfilled by purchasing, renting or Lessing products or services and corporate needs are not to dissimilar. An organization requires the physiological needs to sustain survival. Profit becomes first where the product or service must succeed its intentions, regardless if it is being obtained cheaply. Corporate safety concerns the safety of employees and safety and security of assets. Social needs come next in terms of environmental issues as well as forming links with other organizations and developing contacts. Corporate esteem is represented in an organization as award winnings, badges such as ISO 9000, superior offices, and infrastructures and factors that possess power in the market place and government. Self-actualization is represented in the corporation by an organizations preoccupation with growth. This involves factors such as bigger rather than better, taking risks and seeking challenges. An important notice is that it is not the specific product or service that is needed but the benefits that possession brings. The concept of benefits is the key to achievement of quality and of most importance. (Hoyle, 2001)

2.3 Characteristics of Service Quality

It is well known that quality is based on multiple dimensions. In 1982, grönroos identified two service quality dimensions, the function aspect and technical aspect. The functional aspect concern 'how' service is provided while the technical aspect concern 'what' service is provided. The 'what' is received by the customer as the outcome of the process? However the customer also perceives how the process itself functions. (Grönroos 1982)

JarmoLehtinen views service quality in terms of physical quality, corporate (image) quality and interactive quality. Physical quality refers to the tangible aspects of the service. Corporate quality refers to how current and potential, as well as other publics, view (image) the service providers, interactive quality concerns the interactive nature of the service and refer to a two-way flow that occurs between service provider and the customer, or his/her representative, including both animated and automated interactions. (Lehtinen & Lehtinen 1982)

Grönroos (2001) has also presented, similar to what Lehtinen & Lehtinen (1982) proposed on service quality, the importance of corporate image and the experience of service quality. Customers often have contact with the same service firm, which implies that they bring their earlier experience and overall perceptions of a service form to each en counter. Hence, the image concept was introduced as yet another important attribute.

Image has an impact on customer perceptions of the firm's communication and operations in many aspects, which makes it favourable to have a well-known positive image. If for example a hotel's image is negative, the impact of any mistake will often be magnified in the guest's mind. On the other hand, a positive image will probably make the guest neglect minor mistakes and oversee them. However if minor mistakes occur, the image will be damaged. Grönroos (2001) express that image can be viewed as a filter in terms of a customer's perception of quality.

Service quality from what they suggested that the quality evaluations are not made exclusively on the outcome of service. Moreover they also involve evaluation of the service delivery process. The first dimension, when evaluation happens after service performance, focus on 'what' service is delivered and called outcome quality. The second dimension, process quality is when the evaluation occurs while the service is being performed. In 1988 they presented a definition of service quality which is 'the degree of discrepancy between customer's normative expectations for the service and their perceptions of the service performance' (Parasuraman 1988)

Brandy and Cronin (2001) presented a three-factor model describing service quality, ambient condition, facility design and social factors. They define that service environment are elements of the service delivery process and it seems best to include them as components of the functional dimension.

2.4 Service Quality in the Hospitality Industry

The general attributes are only an abstract overview and does not cover all industries completely. (Parasuraman 1985) in the hospitality industry, there are other attributes that are of importance such as imprecise standard and fluctuating demands have been identified and further complicate the task of defining, delivering and measuring service quality. Many factors of service quality are not standardized where quality aspects such as 'helpfulness', 'friendliness' and 'politeness' are likely to be interpreted differently depending on each guest and therefore assessed subjectively. Another aspect to consider is the seasonal factor of the hospitality industry where it is commonly clustered around peak periods of the day or year, such as checkout time or holiday season. These peaks make it more difficult to measure for a consistent service quality. (Sasser, Olsen and Wyckoff, 1978)

3. Methodology

This study is made up of the information about the methods and procedures employees and clients in this research study. Specifically, deductive approach is described and sampling approach used is defined. Also information about data collection process is provided with the information regarding the questionnaire structure and how the scale items have been derived. Lastly, this study concludes with the descriptions of the analytic methods to be used in the following study.

3.1 Deductive Approach

Deductive approach or deductive reasoning "is a theory testing process which commences with an established theory or generalization, and seeks to see if the theory applies specific instances" (Hyde 2000: 83). As Graziano and Raulin (1993: 37) also state, "A *deductive theory* is more traditional and formalized theory in which constructs are of major importance. The constructs (the ideas) guide the researcher in making and testing deductions from the constructs. The deductions are empirically tested through research, and thus support or lack of support for the theory is obtained." As mentioned before, this study aims to develop and test a model that examines the antecedence and consequences of job satisfaction among employees and satisfaction in the hospitality industry in Merit Crystal Cove. In addition, model development and testing requires advanced statistical analytic techniques. Accordingly, this study utilized deductive approach and employees various advanced statistical techniques for model testing.

3.2 Population and Sample

There are 75 survey prepared for employees about job satisfaction. We have been successful in collecting required data from 60 survey. In this study, judgmental sampling approach was used. Judgmental sampling is a non-probability sampling technique. In this sampling procedure, "the sample elements are selected because it is believed that they are representative of the population of interest" (Churchill 1995: 582).

Accordingly, data were collected from a judgmental sample of employees in the Merit Crystal Cove in Kyrenia. The employees comprised of HRM, F&B, Accounting, House Keeping, Marketing and Promotion, Front Office.

3.3 Data Collection

There is not a proper list showing all organization members of staff employed in T.R.N.C. We collected that 60 self-administered questionnaires from employees at their working field. By the cut-off date for data collection, a total number of 75 questionnaires were retrieved given a response rate of 80%.

3.4 Data Analysis

The data was analyzed using SPSS statistical package. The questions relating to job satisfaction were close-ended questions using Likert scale (1 being “very dissatisfied”, 5 being “very satisfied”). A variety of statistical methods were used to gain a better understanding of the data. Frequency distribution for the questions provides a general view of employees’ feelings about their own levels of job satisfaction to increase customer satisfaction. For the reliable grouping of the 14 questions for the employees was prepared and was analysis in the next chapter.

4. Findings and Analysis

The following 6 demographic questions analysis for the employees of the Merit Crystal Cove.

The demographic breakdown of the sample as demonstrates that. 63.3% of the respondents were male, while 36.3% were female. Age ranges represented include 18-25 years (10%), 26-32 years (46.7%), 33-40(36.7%), and > 41 (6.7%). The majority of respondents have under graduation degree representing 26.7% while 5 have vocational education. 36.7% of the respondent had College degree, 11.7% have secondary education, 20% had primary education. About 16.7% of the respondents have length of service below one year. 26.7% have length of service of 1-3 years, 4-6 years were 43.3%, 7-9 years were 5% and >10 years were 8.3%. The majority of the respondents (75%) were in employee position, while the remainder (10%) was in manager positions and (11.7%) of respondents are supervising with a (3.3%) of respondents work in other departments. On the type of department frequencies, 3,3% are in HRM, (30%) F&B, (3.3%) Front Office, (30%) housekeeping, (21,7%) accounting, and lastly (11,7%) other department.

The following 14 questions analysis was for the employees of the Merit Crystal Cove.

Level of Pay/Salary

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	15	25,0	25,0	25,0
disagree	17	28,3	28,3	53,3
neutral	12	20,0	20,0	73,3
agree	5	8,3	8,3	81,7
strongly agree	11	18,3	18,3	100,0
<i>Total</i>	60	100,0	100,0	

The table above is showing us that approximately 53% of employees are not satisfied with their salaries and only 26% of the employees agree or strongly agree with their salaries.

Physical Cond

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	2	3,3	3,3	3,3
disagree	13	21,7	21,7	25,0
neutral	16	26,7	26,7	51,7
agree	16	26,7	26,7	78,3
strongly agree	13	21,7	21,7	100,0
<i>Total</i>	60	100,0	100,0	

The table above is showing that 26% respondents agree and 21% were strongly agree about the physical condition of their working place and 21% are disagree and 26% were neutral.

Job Security

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	6	10,0	10,0	10,0
disagree	5	8,3	8,3	18,3
neutral	8	13,3	13,3	31,7
agree	15	25,0	25,0	56,7
strongly agree	26	43,3	43,3	100,0
<i>Total</i>	60	100,0	100,0	

The above table is illustrating that approximately 68 % of respondents agree or strongly agree about their job security; only 18% is not satisfied with their job security.

Control over Daily Activities

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	3	5,0	5,0	5,0
disagree	8	13,3	13,3	18,3
neutral	5	8,3	8,3	26,7
agree	20	33,3	33,3	60,0
strongly agree	24	40,0	40,0	100,0
<i>Total</i>	60	100,0	100,0	

The table above is showing us that approximately 73% of respondents agree or strongly agree that they are satisfied with the control over daily work activity of the working place.

Skill of Directs Subordinates

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	5	8,3	8,3	8,3
Disagree	7	11,7	11,7	20,0
Neutral	9	15,0	15,0	35,0
Agree	21	35,0	35,0	70,0
strongly agree	18	30,0	30,0	100,0
<i>Total</i>	60	100,0	100,0	

The above table illustrates us that around 65% of respondent strongly agree or agree that they are satisfied with skills of respondents strongly disagree or disagree for the situation.

Company Politics

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	6	10,0	10,0	10,0
disagree	10	16,7	16,7	26,7
neutral	15	25,0	25,0	51,7
agree	16	26,7	26,7	78,3
strongly agree	13	21,7	21,7	100,0
<i>Total</i>	60	100,0	100,0	

The table is showing us that approximately half of the respondents which are around 48% are satisfied with the companies policies and 25% is neutral and only around 26% is not happy with company policies.

Opportunity to Advance to Higher Managerial

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	7	11,7	11,7	11,7
Disagree	11	18,3	18,3	30,0
Neutral	13	21,7	21,7	51,7
Agree	22	36,7	36,7	88,3
strongly agree	7	11,7	11,7	100,0
<i>Total</i>	<i>60</i>	<i>100,0</i>	<i>100,0</i>	

The results are showing us that approximately half of respondents are happy with the opportunity to advance to higher managerial level in the working place and around 21% is neutral and around 29% is not happy with the situation.

Opportunity for Personal Growth

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	5	8,3	8,3	8,3
Disagree	9	15,0	15,0	23,3
Neutral	10	16,7	16,7	40,0
Agree	21	35,0	35,0	75,0
strongly agree	15	25,0	25,0	100,0
<i>Total</i>	<i>60</i>	<i>100,0</i>	<i>100,0</i>	

Table is showing as that a high amount of respondent which is 60% are pleased with the opportunity for personal growth in the working place, and suprisely only around 23% is not happy with the condition.

Physical Work Atmosphere

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	3	5,0	5,0	5,0
disagree	12	20,0	20,0	25,0
neutral	8	13,3	13,3	38,3
agree	18	30,0	30,0	68,3
strongly agree	19	31,7	31,7	100,0
<i>Total</i>	<i>60</i>	<i>100,0</i>	<i>100,0</i>	

The results is showing us that only 25% of respondents are not pleased with the physical work atmosphere in the working place and a high amount of respondents which is approximately 61% is happy with the condition of work atmosphere.

Benefits Offer

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	7	11,7	11,7	11,7
disagree	6	10,0	10,0	21,7
neutral	20	33,3	33,3	55,0
agree	18	30,0	30,0	85,0
strongly agree	9	15,0	15,0	100,0
<i>Total</i>	<i>60</i>	<i>100,0</i>	<i>100,0</i>	

The table is showing us that 33% of the respondents are neutral about benefits offered in the working place is and only around 21% is not pleased but on the other side totally 45% happy about the benefits offered by the organization.

Quality of Company Product

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	4	6,7	6,7	6,7
disagree	8	13,3	13,3	20,0
agree	22	36,7	36,7	56,7
strongly agree	26	43,3	43,3	100,0
<i>Total</i>	60	100,0	100,0	

The research is showing us that a very high amount of employees are quite happy with the quality of the product that is offered by the organization. This amount is 80 % of the respondents.

Work Hour Requirement

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	8	13,3	13,3	13,3
disagree	5	8,3	8,3	21,7
neutral	6	10,0	10,0	31,7
agree	26	43,3	43,3	75,0
strongly agree	15	25,0	25,0	100,0
<i>Total</i>	60	100,0	100,0	

Table is showing us that 41 employees out of 60 is pleased about the working hours in the working place, which is equal to around 68 % of respondent. Only around 21% of the respondent is not very happy about the condition which is 13 employees out of 60.

Working Motivation

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	9	15,0	15,0	15,0
disagree	7	11,7	11,7	26,7
neutral	13	21,7	21,7	48,3
agree	23	38,3	38,3	86,7
strongly agree	8	13,3	13,3	100,0
<i>Total</i>	60	100,0	100,0	

The table above is illustrating us that more than half of the respondents which is around 51% is pleased with their managers and believe that this will increase the their motivation in the organization and only around 26% is not happy about their effort of their managers in increasing the motivation.

Product and Services

	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
<i>Valid</i> strongly disagree	3	5,0	5,0	5,0
disagree	11	18,3	18,3	23,3
neutral	11	18,3	18,3	41,7
agree	13	21,7	21,7	63,3
strongly agree	22	36,7	36,7	100,0
<i>Total</i>	60	100,0	100,0	

According to the research most of the respondents which is around 57% are satisfied with the product and service that there organization is offering to increase the service quality. Only around 23% of the employees are not satisfied with the product and service of the organization.

5. Conclusion

We can see in the analysis that around %60 of respondents (employee) are not very happy with the salary/pay they receive we can see that either strongly disagree or disagree.

Also can see that generally employees are happy with the physical work atmosphere, freedom to state opinions without fear of punishment and managers that will increase and motivation in there working place. Again we can see that employees generally agree or strongly agree on the security at work, control over daily work activity, the skill of direct subordinates, opportunity for personal growth, physical work atmosphere, job security in present position, the quality of company's products/services and working hours in there working place. And lastly first quarter of respondents are undecided, second quarter agree and third quarter strongly agree of the satisfaction on the company's policies/procedures in there working place. The opportunity to advance to higher managerial level quarter of respondents are undecided and %36 agree. %33of respondents undecided and %30 of respondents agree on the benefits offered (break-times for tea or coffee time) in there working place.

As a result we can see that generally Merit Crystal Cove give enough attention to increase service quality by there service and product, design, fitting and fixturing, equipment and the professional employees. But we can see that around %60 of responders (employee) are not very happy with the salary/pay they receive, we can see that either strongly disagree or disagree according to the result of analysis.

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