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# INFLUENCE OF TOTAL QUALITY MANAGEMENT PRACTICES ON PERFORMANCE OF HOTELS; CASE OF STAR RATED HOTELS IN GREATER NAIROBI REGION.

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**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF COMMERCE AT STRATHMORE UNIVERSITY**

**STRATHMORE UNIVERSITY BUSINESS SCHOOL**

**STRATHMORE UNIVERSITY**

**NAIROBI, KENYA**

**MAY 2019**

## DECLARATION

### STUDENT DECLARATION

I declare that this thesis is my original work and has not been presented to any other University for a ward of a degree. Any work done by other people has been duly acknowledged. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person.

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Bernard Ndung'u Mwaura

…….

24th May 2019.

### APPROVAL

This Thesis has been reviewed and approved for submission by:

Dr. James Njuguna

…….

24th May 2019.

## ABSTRACT

Hospitality is one of the most vibrant industries in Kenya that has positively contributed to the economy through increased tourism earnings, creating employment and providing foreign exchange. The industry has experienced high competition over the years because of increased globalization, enhanced security and infrastructural developments. International hotel brands such as Moven Pick, Radisson blue, Kempinski among others are setting up their operations in the Country intensifying the competition further. In order to survive in this competitive environment, hotel and hospitality organizations are adopting quality management practices such Total Quality Management (TQM), Lean Operations among others to enable them to meet the dynamic customer demands and gain a competitive edge in the market. The purpose of this study was to determine the influence of TQM practices on performance of hotels. Specifically the research objectives included: To determine the influence of customer focus on performance of Star graded hotels in Greater Nairobi Region, To determine the effect of continuous improvement on performance of Star rated hotels in Greater Nairobi Region and to establish the influence of product and service design on performance of Star graded hotels in Greater Nairobi Region. The study was anchored on Deming Prize Theory, Juran's TQM Model and the European Foundation for Quality Management theoretical models. Questionnaires were used to gather data from the target population of 44 Star rated hotels operating in Greater Nairobi Region. Descriptive statistics, correlation analysis and regression analysis were used to analyze the data. On influence of each TQM practice on performance of star rated hotels, customer focus and continuous improvement had a significant moderate relationship while Product and Service design had a significant strong positive relationship. Additionally, the regression analysis results revealed that continuous improvement and product & service design had a positive significant influence while customer focus had a positive insignificant influence on the performance of Star rated hotels in Greater Nairobi Region. The study however had limitations, in that it was cross sectional and therefore was not expected to capture TQM practices and performance changes that come with the passage of time since these variables are not static.

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## ABBREVIATIONS AND ACRONYMS

**ANOVA** Analysis of variance

**TQM** Total Quality Management

**GAIN** Global Agricultural Information Network

**KNBS** Kenya National Bureau of Statistics

**TRB** Tourism Regulatory Board

**EFQM** European Foundation for Quality Management

**VIF** Variance Inflation Factor

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# CHAPTER ONE

# INTRODUCTION

## 1.1 Background

There is global pressure by customers for better quality of products and services (Jaafreh & Al-abedallat, 2013). The international market is competitive, and many organizations are now being pressured by these new consumer demands to implement quality practices for improved performance and survival (Jaafreh & Al-abedallat, 2013). Consumers are much more quality-oriented and prefer to pay a higher price for a quality product or a service that is delivered in an efficient manner. High quality products and services enables and organization to gain a greater market share than a low-quality product (Reidenbach & Goeke, 2006). The increased focus by organizations to meet and exceed customer needs has accorded quality a new role and perspective (Hill & Jones, 2008). Quality has become a competitive and strategic tool that can be leveraged by an organization to withstand competitive pressure, attract new customers and enhance its market position (Al-Hakim & Chen, 2014).

Today's consumer places a higher value on the quality of a product or service compared to its price (Duchessi, 2001). This has necessitated organizations to adopt quality management strategies that help differentiate them from their competitors thus enabling them to survive in today's competitive markets. Throughout the world, quality management practices are proving to be effective tools for achieving and sustaining competitive advantage (Flynn, Schroeder & Sakakibara, 1994). Numerous research studies have indicated that the incorporation of quality management practices builds capacity for organizations to compete on a global scale (Ernest & Young, 1991; Easton, 1993; Handfield, 1993). Furthermore, it has become essential for the management within organizations to understand how quality management practices influence performance and customer satisfaction.

Various quality management practices such as Total Quality Management (TQM), Standardization of processes, the Six Sigma techniques, Lean Operations and Continuous process improvement can be explored by organizations to achieve the quality of its products and services (Kelemen, 2003). Among the above quality management practices, TQM will be discussed and tested in this study because it emphasizes quality in every aspect of business operations (Kelemen, 2003). TQM refers to an integrated set of practices that emphasizes on meeting customer demands, continuous improvement, realization of competitive

benchmarking and increased employee involvement (Ross, 1993). TQM was first developed in Japan during World War II, and later spread in to USA and other parts of the world. There are different theories that have contributed to the development of TQM practices, which include; Deming's Theory, Crosby's Theory, Joseph Juran's Theory, The European Foundation for Quality Management (EFQM) Framework and Ishikawa's Theory. Edward Deming formulated Deming's Theory in 1950's. This study will be anchored on Deming's Theory, Joseph Juran's Theory and EFQM Framework.

Deming's Theory defines TQM as formulation of an organizational system that fosters cooperation and learning for enabling the implementation of continuous improvement of products, processes, and services as well as employee fulfillment (Deming, 1986). Continuous improvement and employee fulfillment are vital to customer satisfaction, and ultimately, to the organization (Deming, 1986). Deming's Theory further emphasizes the importance of an organization identifying and understanding customer requirements, creation of supplier partnership, employee training, top management support and pursuit of continuous improvement. Joseph Juran's Theory defines TQM as a set of activities directed at customers satisfaction, employees fulfillment, achieving high revenues, and reduced costs (Juran and Gryna, 1993). Juran believed that understanding the customer needs is important step in planning for quality. The theory further emphasized on the importance of senior management support and employee empowerment as ways of achieving quality of products and services.

The EFQM Model is a quality management model that aims at sustainable excellence in an organization in which TQM is an important element. It includes of a universally accepted approaches that help organizations share information with others irrespective of the different sectors, cultures and life stages in which they are located. The EFQM Model consists of nine criteria that are sub divided into five enablers and four results. The enablers are Leadership, People, Policy & Strategy, Partnerships & Resources and Processes while the four results are People Result, Customer Result, Society Result and Key Performance Results.

### 1.1.1 Total Quality Management Practices

TQM refers to a set of management doctrines and approaches that have been employed to enhance organizational performance and competitiveness (Jaafreh & Al-abedallat, 2013). According to Spencer (1994) TQM is one of the important approaches in revitalizing a

company's competitive position. This is further reaffirmed by Camison et al (1996) who refers to TQM as a management approach on which to base organizational competitiveness and search for excellence.

The origins of TQM practices dates back to 1920s when Dr. Shewhart coined the usage of statistical techniques for the management of quality (Webb & Gorman, 2006). The Statistical Quality Control theoretical model developed by Shewhart involved the identification and management of quality, a process that comprised of testing samples and statistically inferring compliance of all problems (Webb & Gorman, 2006). During the 1940s, quality gurus who included Deming, Juran and Feigenbaum improved Shewhart's model of quality. They widened the focus on quality of products to incorporate all the issues within the firms leading to the emergence of quality management (Webb & Gorman, 2006). These developments could not have come at a better time for the Japanese who during the period around the 1950s, were suffering from quality related problems. After they recognized the problem and being convinced by experts comprising Deming, Juran and Feigenbaum, they decided to put in practice the theoretical models of quality to improve quality of products for their markets (Powell, 1995).

The implementation of quality control management in Japan turned out successful and developed swiftly, finally becoming the core theme for management in the country. Seeing how the implementation of total quality control was a success, the Americans and Western Europe copied the Japanese style of quality management. However, the idea failed, as they did not understand the need for culture change too. Furthermore, they failed to identify the need for leadership, strategic planning, management commitment and involvement (Zink, 2007). Consequently, in the 1980s and 1990s a new era of management and quality control began which considered all these aforementioned elements and became to be known as Total Quality Management (TQM).

Scholars and institutions such as Malcolm Baldrige Award, European Foundation for Quality Management (EFQM) and the Deming Prize have identified numerous TQM Practices. Based on their different perspectives TQM practices are broadly categorized into nine critical practices that affect organizational performance. These include Customer focus, strategic planning, staff training and education, continuous improvement, Management support, fact-based decision making, supplier management, benchmarking and product and service design.

The most common and critical factors of quality management practices drawn from the nine aforementioned practices identified by most studies include customer focus, continuous improvement and product and service design (Fotopoulos & Psomas, 2009; Tsang & Anthony, 2001; Kanji & Wallace, 2000; Motwani, 2001; Yusuf et al., 2007; Saravanan & Rao, 2004). These three practices will be the focus of this study. Customer-oriented practices, even based on the perspectives of the employees and the management, significantly influence organizational performance according to a significant number of conducted studies. For instance, Al-abedallat and Jaafreeh (2013) established that customer focus has a strong positive relationship and significantly influences positive organizational performance of Jordan banks. Moreover, Al-Damen (2017) established that continuous improvement has a significant positive influence on operation efficiency in the Jordan Oil petroleum sector. Additionally, Bhatt and Emdad (2010) established that product and service design is positively associated with business benefits such as customer loyalty. The other TQM practices such as staff training, strategic planning and education, management support, fact-based decision making, supplier management and benchmarking were left out from this study since the customers do not have sufficient inside knowledge on these practices that would have assisted the study in assessing their influence on performance.

### 1.1.2 Organizational Performance

According to Lebans and Euske (2006), performance is a collection of both financial and non-financial indicators that provides information on the level of achievements of the firm's stipulated goals and results. According to Kaplan and Norton (1996) the financial indicators that measure performance comprise of profits, return on equity, return on assets and market share. On the other hand, non-financial indicators that portray organizational performance include product and service quality, customer loyalty and customer satisfaction (Schultz, 2003).

Existing literature has been able to pinpoint three common methodologies for organizational performance measurement. The first methodology is whereby a single measure is employed on the conviction in the affiliation of the measure to performance (Hawawini et al., 2003; Roberts & Dowling, 2002; Spanos, Zaralis & Liukas, 2004). For example, if it is financial performance, then only profitability or return on assets can be employed to represent performance. The second methodology involves the researcher employing various

performance measures as dependent variables but with the same independent variables (Miller, 2004; Peng, 2004). For instance, assessing the influence of customer focus on profitability and customer focus on return on assets. The third methodology involves a researcher combining the dependent variables based on the association between the performance measures (Cho & Pucik, 2005; Goerzen & Beamish, 2003). In this type of methodology performance would be measured as an aggregate of profitability, return on assets and return on investment performance indicators.

Most studies such as Lani and Lleshi (2017); Albasheer et al. (2015); and Onyango (2016) used financial measures such as profitability, return on assets and market share to measure organizational performance against adoption of TQM practices. Conversely, studies such as Anderson et al. (1995) employed non-financial measures such as customer satisfaction, customer loyalty and product quality to measure organizational performance based on how they were influenced by TQM practices. The current study adopted non-financial measures of performance similar to previous studies by Talib and Rahman (2010) and Motwani, Mahmoun and Rice, (1994). Furthermore, the study employed the third methodology in assessing the organizational performance, because it used an aggregation of non-financial measures such as customer loyalty, customer satisfaction and product and service quality in determining the influence of TQM on performance.

### 1.1.3 Total Quality Management and Organizational Performance

Although TQM is a widely studied concept, there are diverse interpretations and understandings of what the concept means and its impact on organizational performance. Studies such as Al-basheer et al. (2015); Al-Damen (2017); Das et al. (2006); Salaheldin (2008) and Manyinsa (2016) have been conducted in various sectors to establish the influence of TQM practices on organizational performance in order for the firms to be aware of the need to implement these practices and how these practices can boost their organizational performance and help them gain competitive advantage. Generally, most of the studies such as Phan, Abdallah and Matsui (2011); Onyango (2016); Owiti (2014) and Wanyoike (2016) have established that TQM practices positively influence organizational performance. However some studies such as Anderson et al. (1995); Motwani, Mahmoun and Rice (1994); and Lani and Lleshi (2017) established that TQM practices have no significant influence on organizational performance. Moreover, all of these studies have generally been based on the

perspectives of the employees and the hotel management and have therefore, not assessed the TQM practices in a holistic manner. The insights from the customers in regards to how TQM practices influences organizational performance have been completely overlooked. It is important to consider that TQM is an approach that solely aims to satisfy the customers (Esiaba, 2016). This is because customer satisfaction is a primary strategy that is employed by organizations to attract and retain customers and in effect attain high financial performance and growth.

### 1.1.4 The Hotel Industry in Kenya.

The Hotel industry unlike the manufacturing industry is mainly service oriented; customers compare their experiences and expectations from one establishment to another while making purchase decisions. The customer can easily switch from one hotel establishment to another, making competition more dynamic and most hotel establishments are finding it difficult to survive while other hotels are shutting down their operations (Jones & Lockwood, 2012). One of the major concerns the customers have about hotels has been quality of service and general sanitary conditions (Maiyo & Obey, 2017).

The Government of Kenya has identified tourism as one of the six key growth sectors of the economic pillar of Vision 2030. Through collaborations with stakeholders, the Government is tasked with making Kenya among the top ten tourist destinations globally; offering a high-end, diverse and distinctive visitor experience that few of her competitors can offer. Kenya has been branded as a major hospitality brand and the hospitality industry is one of the country's major foreign exchange earner after agriculture. The Government is also undertaking infrastructure developments such as commissioning of the Standard Gauge Railway line to promote domestic tourism. These efforts have seen global hotel brands such as Moven Pick, Park Inn by Radisson, Radisson Blu, Lonrho Hotels and Best Western set up their operations in the country specifically in Greater Nairobi Region. The increase in international hotel brands is setting up the country as a regional hub for business and conference tourism, with recognizable brands, which make it an ideal destination for tourists looking to stay with brands they trust. Existing local and international players, such as InterContinental, Laico Regency and Hilton are looking for ways to protect their market share in the face of the growing competition. To survive in this competitive industry, hotel operators should acknowledge the influence of TQM on performance of their organizations. Acquiring

better and deeper insights in relation to customer needs and expectations will help them gain a greater competitive advantage as it is the customers who procure services from their establishments and who are better placed to define the quality that should be provided to enhance performance.

There are a total of 183 star rated hotel establishments in Kenya registered with the Tourism Regulatory Authority (Tourism Regulatory Board, 2019). The hotels have been established in both high class and low class areas to target the consumers from all the social class levels (Njagi, 2017). The aggregate number includes 44 hotels in Greater Nairobi, 41 hotels in the Coastal region, 41 hotels in the South Rift Region, 15 hotels in Western Kenya, 6 hotels in the Eastern region, 11 hotels in Central and Mount Kenya region, 11 hotels in the North Rift region and 14 hotels in Northern Kenya (Tourism Regulatory Board, 2019).

### 1.2 Problem Statement

Globalization of tourism and the growth of business travel have led to an increased demand for hotel and hospitality services worldwide. Tourism and Hospitality industry are key drivers of country's economy as well as many countries in the world. The rapid growth of technology coupled with increasing globalization has made it easier for customers to compare a variety of destinations as well as the hotels before making a purchase decision. Organizations such as Travel Advisor have provided platforms where customers can rank hotels and comment on the quality of products and services received thereby influencing other customers while making their purchase decision.

The growth rate of the hotel industry in Kenya has been declining from 18.1% in the last quarter of 2016 to 12.1% by the end of 2017 according to the economic survey report of 2018 (KNBS,2018). Building an inclusive view of quality in hotels has become an issue for management who are tasked with prioritizing decision making with scarce resources to focus on key quality attributes (Namkung & Jang, 2008). Service quality management practices and its continuous enhancement has become the most essential factor in today's hotel business (Mose & Kibera, 2015). Nyongesa (2006) established that hotels in Kenya were losing their consumers owing to the fact that some hotels offer low quality products and sevices. Thiong'o (2007) contended that the presence of quality hotels offering quality services were the primary

destination drivers for Kenya. It is, therefore, important to understand the TQM drivers that improve the performance of Hotels in the local context based on the views of the customers.

Most of the research conducted to establish the influence of TQM practices on performance have mainly focused in the banking, public service vehicles, manufacturing and electrical sectors (Al-basheer et al., 2015; Onyango, 2016; Phan, Abdalla & Matsui, 2011; Agus, Ahmed & Muhammad, 2009). Furthermore, some of studies such as Owiti (2014) that were conducted in the Kenyan hotel sector were solely based on the insights of hotel managers and other employees overlooking the perspectives of customers who are the ones who can really determine whether the services offered satisfy them or are of great quality. In regard, Juran's theoretical model argues that the customer is the most suitable individual to define quality (Neyestani, 2017). Therefore firms are obliged to implement TQM practices that precisely addresses the needs of the customers in order to attain a positive organizational perfomance. Juran further hypothesized that there is a direct between quality management and customer satisfaction. Therefore there is need to build on the Juran's theoretiacal model by undertaking a study based on the local perspective.

Consequenlty, this study sought to establish the influence of TQM pratices on performance of Star rated hotels operating in Greater Nairobi Region. This was based on insights of customers and built on Juran's hypothesis that there is a direct relationship between quality management practices and customer satisfaction, which so far most studies have overlooked.

## 1.3 Objectives of the Study

### 1.3.1 General Objective

To establish the influence of TQM practices on performance of Star rated Hotels in Greater Nairobi Region.

### 1.3.2 Specific Objectives

i. To determine the influence of customer focus on performance of Star rated Hotels in Greater Nairobi Region.

ii. To establish the influence of continuous improvement on performance of Star rated Hotels in Greater Nairobi Region.

iii. To establish the influence of product and service design on performance of Star rated Hotels in Greater Nairobi Region.

### 1.4 Research Questions

i. What is the influence of customer focus on performance of Star rated Hotels in Greater Nairobi Region?
ii. What is the influence of continuous improvement on performance of Star rated Hotels in Greater Nairobi Region?
iii. What is the influence of product and service design on performance of Star rated Hotels in Greater Nairobi Region?

### 1.5 Significance of the Study

This research study may be instrumental to the Government and the Regulatory authorities as it presents information about the benefits of adequately embracing TQM practices in hotels and related establishments. It may also facilitate the implementation of these practices by developing relevant effective regulations. This will ensure that the hotels adhere to the quality services that match the demands of customers owing to the sensitivity of the hotel and food sector.

An examination of the relationship between TQM practices and performance of Star rated hotels may provide important managerial implications for Hotel Industry practitioners. Managers for example will be placed at a better position to decide whether to focus on TQM practices based on the nature of the relationship between different TQM practices investigated in this study and performance. The findings of this study will also help the Managers in Hotel industry in comprehending what really matters to customers to enable them to strategically position their organizations in the competitive business environment.

Academicians will also benefit from the findings of all three objectives because they attempt to explain the influence TQM Practices on performance of Hotels from the customer's point of view. This research only partially tries to fill this knowledge gap and further studies would help shed more light.

### 1.6 Scope of the Study

This study focused on 44 Star rated Hotels operating in Greater Nairobi Region (Tourism Regulatory Board, 2019). This was entire population of Star rated Hotels in Greater Nairobi Region that are registered with the Tourism Regulatory Authority. The scope of the respondents was limited to the customers of the hotels. Similarly, TQM practices were limited to customer focus, continuous improvement, and product and service design because the study

was anchored on the views of the customers. Furthermore, the scope of the research instrument was limited to semi-structured questionnaires.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapter looks at past studies done by other researchers relating to TQM Practices and organizational performance. The chapter is divided into four sections. In the first section, the following theories and a model are discussed; Deming's Theory, Joseph Juran's Theory and the European Foundation for Quality Management Model (EFQM) Model. The second section is an empirical review based on the study objectives. The third section brings out the research gaps and finally the fourth section contains the conceptual framework that links TQM Practices to performance.

## 2.2 Theoretical Review

There are many theories that have been used to relate TQM Practices to performance however, the theoretical framework of this study is anchored on three commonly used TQM theories. These are Deming Prize, Juran's Total Quality Management and the European Foundation for Quality Management theoretical models.

### 2.2.1 Deming's Theory

Deming (1986) defined quality as "meeting the customer's needs beyond expectations''. Customer satisfaction is central to Deming's approach to quality management in organizations. According to Deming (1986) improved quality leads to cost reduction, fewer delays in processes and maximum utilization of resources and equipment. Deming (1986) argues that improvement in organization's productivity enables the organization to market high quality products at lower prices and increases employee satisfaction. Deming's profound knowledge system comprises of; comprehending how organizations' processes work, being aware of the variations that transpire and why they occur (Deming, 1986).

Deming's Theory focuses on bringing about improvements in quality by minimizing uncertainty and variability in the way a service is delivered. Variability in service according to Deming (1986) is a major cause of poor quality while inconsistencies in service delivery annoy and frustrate customers and damage the reputation of organizations. The theory is

based on 14 management points, Shewart Cycle and a profound knowledge system (Deming, 1986). According to Deming (1986), the 14 points provide criteria by which anyone in an organization can measure the performance of the organization. Deming is prominent for his ratio, which affirms that quality can be equated to the outcome of work efforts over total costs (Deming, 1986). If an organization is reliant on costs, a challenge will crop up about costs increasing as levels of quality go down. According to Deming (1986) among the 14 total quality management points based on Deming's theory are; implementation of new philosophy, guaranteeing a production system which is continuous and enhances service delivery, improved performance courtesy of job training, inculcating quality leadership, mitigating fear from the organization, dismantling departmental barriers and facilitating staff training.

The Shewhart Cycle also known as Deming Cycle was developed a result of linking the production of goods and services with the needs of the customers with the available organizational resources in an effort to meet and exceed those needs.

According to Deming (1986), profound knowledge system is a management philosophy grounded in systems theory. It is based on the fact that every organization is composed of a system of interrelated people and processes, which make up system's components. The success of the system depends on management's capability to achieve a balance of each of the above components for optimization of the entire system. Profound Knowledge system is made up of four interrelated components: appreciation of a system, theory of knowledge, the psychology of change and knowledge about variation.

The theory was relevant to this study, since it aimed at assessing the impact of TQM practices, with specific reference to continuous improvement, which is linked to the theory on firm performance. The study also sought to establish if continuous improvement has a positive influence on customer satisfaction, loyalty, product and service quality of the firm; which is associated with the diminishing costs and quality enhancement based on this theory.

### 2.2.2 Joseph Juran's Theory.

Juran's philosophy of quality was originally developed during his work with western Electric company in USA in the 1920s and in the 1940s. Certain similarities and, equally importantly, differences were established between the two theorists. Juran, like Deming, taught principles of quality management to the Japanese in the 1950s. His work was fundamental to their post-

war re-organization. Juran echoed Deming's conclusion that US businesses faced a major crisis in quality due to the increase in poor quality products and services and the loss of sales to foreign competition. Both concluded that the solution to this crisis depended on developing new thinking concerning quality that would include all levels in the management hierarchy. Juran contended that quatlity management is not only a subject of pinpointing and eradicating variations but, it is more about understanding and serving customer needs (Ehigie & McAndrew, 2006).

Joseph Juran's Theory is grounded on 3 fundamental processes also known as " Juran's Triology". The three processes included quality control, quality planning and quality improvement (Juran, 1995). The three processes extended quality management from the context of operations into strategic planning. According to the theory quality planning should be a process whereby business entities start by understanding who their customers are and then design product and service features which match the needs and preferences of their customers. Quality control, which is the second phase is a process whereby organizations are tasked to assess their actual performance by comparing it with their quality objectives and consequently act on any variations discovered. Finally, the quality improvement process should involve pinpointing the relevant projects to be improved (Juran, 1995). Then appropriate diagnosis of the causes of the problems should be made and precise remedies should then be formulated.

According to Juran (1995) TQM involves an intergrative approach to pursuing customer satisfaction in organizations. Thus, Juran hypothesized that there is a direct relationship between quality management and customer satisfaction hence the relevance of the theory to this study; which sought to test the hypothesis of the theoretical model as a means to establish the influence of customer focus, continous improvement and product and service design on organizational performance (customer satisfaction, customer loyalty and product and service quality). The study also sought to establish if customer focus and product and service design has a positive influence on performance of the firm; which is associated with the customer satisfaction based on this theory.

### 2.2.3 The European Foundation for Quality Management model (EFQM) Model

European Foundation for Quality Management model (EFQM) was conceived from 9 guidelines, 5 of which were based on what an organization does (i.e. implementing the total

quality management practices) while the other 4 guidelines primarily focused on what an organization achieves (i.e. positive financial and productivity performance as a result of the implementation of the quality management practices). This means that EFQM model shuns the predisposition of favoring one methodology that can assist an organization accomplish quality management in its operations. Conversely, EFQM model embraces a range of methodologies which can facilitate firms to embrace total quality management practices in their operations.

According to Onyango (2016) the EFQM model consists of the following guidelines: emphasis on outcomes, whereby an organization should always strive to satisfy the needs of its stakeholders in regards to profitability, productivity and customer satisfaction; clientele focus, whereby organizations should strive to satisfy its clients by consistently meeting and exceeding their needs; employee focus, which involves having an organization's workforce obtain top-notch training and constantly engaging them on activities that focus on customer; continuous learning, whereby employees have to be accorded all the opportunities in the organization to enhance themselves professionally and finally, organizations should have a guideline for collaborating with the community it thrives in with an aim of making their surrounding environment a better place.

This excellence model was relevant to this study since it aims at providing a focused structure for hospitality organizations to assess their own Quality management and improvement efforts in a bid to get awarded or recognized worldwide. Hospitality establishments especially the hotels are increasingly seeking international awards and certifications and the criteria used for these awards basically reflect the practices of TQM. Thus this study sought to establish the extent to which quality management practices have been implemented in Kenyan hotels leading to their star classification. It further sought to establish whether they produce desirable outcomes like customer satisfaction, customer loyalty and product and service quality as theorized by the EFQM model.

### 2.3 Empirical Review

This section is divided into two parts; the first section describes TQM practices that have been identified by the existing literature and tested by previous studies. The second section discusses various findings of the studies conducted on the influence of TQM practices on performance.

### 2.3.1 Total Quality Management Practices and Organizational Performance

Studies conducted in different sectors and countries have established that TQM practices have a positive significant impact on organizational performance (Al-basheer et al.,2015; Al-Damen,2017; Das et al., 2006; Salaheldin,2008; Sadikoglu & Olcay,2014; Phan, Abdallah, & Matsui, 2011; Samson & Teriovski, 1999; Al-abedallat & Jaafreeh, 2013; Agus, Ahmad, & Muhammad, 2009; Dilber, Bayyurt, Zaim, & Tarim, 2005).

Al-basheer et al.,(2015) established that all the total quality management practices tested had a positive impact on financial performance in Islamic banks operating in Jordan. On the other hand, Al-Damen (2017) revealed that total quality management practices including continous improvement, process management and factual technique positively and significantly impact operation efficiency but customer focus, supplier involvement, strategic leardership had no significant effect on organizational performance.

Furthermore, Salaheldin (2008) found that TQM practices have a positive impact on both operational and firm performance. Conversely, Sadikoylu and Olcay (2014) established various TQM practices significanlty influence different performance results. The study also revealed that the major impediments to proper implementation of total quality management practices were lack of awareness and commitment of employees. Phan, Abdallah and Matsui (2011) revealed that quality management practices positively influenced competitive performance in Japanese manufacturing firms. Additionally, Agus, Ahmad and Muhammad (2009) discovered that quality management practices positively influence profitability and productivity in the electronics and electrical sector.

Additionally, Younis and Hussein (2015) revealed that leadership moderated the significant influence of total quality management practices on organizational performance in Pakistan pharmaceutical industry. Wang, Chen and Chen (2012) found that external enviroment factors and market orientation are essential moderators between the positive significant relationship of TQM practices and hotel performances. Hendricks and Singhal (2001) established that firm characteristics such as labor intensive firms and low diversification levels moderates the positive impact of total quality management practices on organizational performance.

Conversely, a number of studies have revealed that total quality management practices have no impact on organizational performance (Anderson et al., 1995; Motwani, Mahmoun & Rice, 1994; Eskildson, 1994; Tarrow & Wiley, 1991; Lani & Lleshi, 2017). According to Anderson et al. (1995), only employee fullfilment has a significant impact on customer satisfaction, but continous improvement had no impact on customer satisfaction. Moreover, Motwani, Mahmoun and Rice (1994) established that there was no positive links between top management support and the level of product quality realized.

The possible reasons for the zero association, could be that the organizations are highly diversified and the administrative intricacies and bureaucratic costs affecting the total quality management performance achieved (Stimpert & Duhaime, 1997). Another reason could be that the firms are highly capital-intensive with a high degree of automation and less dependent on the skills and creativity of its workforce (Hendricks & Singhal, 2001). Furthermore, larger organizations might have a problem sustaining an atmosphere of continous improvement which influences organizational performance (Starbucks, 1985).

Locally, there have been studies conducted, that sought to establish the impact of quality management (Onyango, 2016; Manyinsa, 2016; Owiti, 2014;Wanyoike, 2016). For instance, Onyango (2016) who conducted a study in the Kenyan banking sector revealed that there was no significant association between total quality management practices and bank performance. These findings concurred with the research outcomes of Lani and Lleshi, (2017) who conducted a similar study in Kosovo banking sector. Onyango (2016) linked the lack of significant assocation to inflation, industry regulation and brand power of Kenyan banks.

On the other hand, Manyinsa (2016) discovered that there was a strong positive correlation between TQM practices and performance of passenger transport Sacco's in Kenya. The findings of the study concurred with Owiti (2014); Wanyoike (2016) who conducted similar studies in the Kenyan hotel industry and the manufacuring sectors respectively. Though Owiti (2014) revealed that benchmarking had a more dominating impact on organizational performance when compared to other total quality management practices.

Controversy therefore exists on the influence of adoption of TQM Practices on organizational performance. While one school of thought argues that adoption of TQM Practices influences positively the organizational performance, another argues that there is no significant association between TQM practices and organizational performance. Moreover, all of these

studies have generally been based on the perspectives of the employees and the management and have therefore, not assessed the TQM practices in a holistic manner. The insights from the customers in regards to how TQM practices influences organizational performance have been completely overlooked. It is important to consider that TQM is an approach that solely aims to satisfy the customers (Esiaba, 2016). Various entities are obliged to work in order to meet or exceed the expectations of their customers (Esiaba, 2016). This is because customer satisfaction is a primary strategy that is employed by organizations to attract and retain customers and in effect attain high financial performance and growth. There is therefore need to conduct further empirical analysis to establish the influence of adoption of TQM practices on organizational performance based on the perspectives of the customers.

### 2.3.2 Customer Focus and Organizational Performance

Customer focus has been identified by literature as a vital element for the success of organizations dealing with intangible services especially in the hospitality industry (Talib & Rahman, 2010). Firms that comprehend the needs of their customers and offer services and products that match the demands of their customers stand a great chance of gaining a competitive advantage (Yusuf et al., 2007). According to Hackman and Wageman (1995), getting data about customer needs is the most essential and commonly utilized technique to enhance quality performance of a firm. Manyinsa (2016) contended that the present market environment demands firms to start with their clients' interests and end with their clients' interests in their planning process. This is because customer focus leads to customer loyalty, and as a result organizations are obligated to factor in their customer's needs in their business activities, in order for them to achieve business excellence and remain competitive in the market place (Juran, 1988).

Previous studies discovered that, customer focus is one of the most significant TQM practices that influence organizational performance (Al-Damen (2017; Sadikolglu & Olcay, 2014). Sadikolglu and Olcay (2014) in their empirical study discovered that customer focus was the only TQM variable that significantly enhanced customer results, operational and financial performance when compared to other TQM practices. Similarly, Zu (2009) conducted a study in 226 manufacturing firms in the USA to establish the influence of customer relationship on quality performance. The study used empirical data which was analyzed by using structural equation modeling. The study revealed that customer relationship leads to enhanced quality

performance. The findings of the study concurred with the research outcomes of Al-abedallat and Jaafreeh (2013) who established that customer focus has a strong positive relationship and significantly influences positive organizational performance of Jordan banks. The study had employed questionnaires to collect data coupled with correlation analysis and Stepwise multiple regression models to assess the relationship and influence of customer focus on organizational performance. The possible reason for the positive association is that when a firm provides its services with the customers in mind and involves the customer in decision-making it would lead to that customer preffering the products and services of firm hence building a strong relationship which will positively impact on financial performance of the organization and enhance customer loyalty.

Similar findings were also estalbished by Al-Damen (2017) in the petroleum sector where customer focus was established to be highly significant in explaining the variablitiy in employee satisfaction. The reason for the positive association is that when employees, on behalf of their firms, provide quality products and services which are in line with the needs of the customers, most of the customers remain loyal to the firm leading to higher customer retention. Consequently, the customers who are satisfied with the services offered by the employees would refer more customers to procure the products and services of the organization. This will positively impact the growth of the organization and in effect, lead to employee satisfaction. Conversely, Agus and Mohammad (2009) who conducted a study in the electronic and the electrical sector established that customer focus has a significant relationship with profitability but no significant relationship with productivity. However, the study did not establish the reason why customer focus had no influence on productivity. Productivity of an organization could be influenced by employees who run the daily operations of the organization and the amount of effort they put in their work determines the level of productivity of the organization.

Studies in the local context to establish the influence of customer focus on organizational performance have overlooked the insights of customers and majorly focused on the views of the organizations management. Furthermore a study conducted by Owiti (2014) in Kenyan hotels sector overlooked customer focus as one of the variables of interest in TQM practices. There is therefore need to conduct further empirical study on the local hotel industry to determine the influence of customer focus on performance.

### 2.3.3 Continuous Improvement and Performance

Continuous improvement entails seeking a never-ending improvement by looking out for new or improved techniques in the process of translating inputs into useful outputs (Sadikoglu & Zehir, 2016). Based on the philosophy of TQM, the best style of enhancing organizational output is through continuously improving how the business conducts its service delivery to its customers (Corbett & Rastrick, 2000). The introduction of customer focus and the resultant emphasis on continuous improvement differentiates quality management model from the traditional model that was characterized by human relations and contingency theories (Lyons & Farrington, 2006). Continuous improvement identifies that the needs of customers keep changing and so are the surroundings. These ever changing needs need to be known and catered for in product or service delivery in order for firms to maintain and broaden their customer base (Manyinsa, 2016). Anderson (1994) contended that continuous improvement is an integral part of TQM, its main objective being customer satisfaction.

Furthermore, Agus and Muhammad (2009) contended that the concept of quality management is based on continuous improvement in the performance of processes in a firm and in the quality of the products and services that are the outcomes of these processes. Continuous improvement of supplier relationship would lead to the obtainment of better products or services and this would, in effect, enhance customer satisfaction. On the other hand, continuous improvement because of benchmarking, decision making based on the prevailing facts of the business environment and continual employee involvement would subsequently lead to enhanced organizational performance. Hence, most of these TQM practices can be viewed or amalgamated as continuous improvement. This gives a compelling reason why continuous improvement becomes a variable of interest that would be incorporated in this study.

Various studies have been conducted to establish the influence of continuous improvement on organizational performance (Al-basheer et al., 2015; Al-Damen, 2017; Anderson et al., 1995; Younis & Hussein, 2015; Owiti, 2014; Wanyoike, 2016). Al-basheer et al. (2015) who conducted a study in Jordan Islamic banks established that continuous improvement of banking operations has a positive significant influence on profitability ratios but no significant influence on liquidity ratios. This means that when a firm continuously enhances the quality of its products and services to meet the needs of the customers and be at pace with the

changing dynamics of the industry, then it stands a chance of attracting more customers who will consequently improve the profitability of the firm. Their findings agreed with the research outcomes of Al-Damen (2017) who conducted a similar study in Jordan Oil petroleum sector, which also revealed that continuous improvement has a significant positive influence on operation efficiency of petroleum organizations. This means that when the products and services of a firm are continuously improved, there is a reduction of waste in the production process which enhances operational efficiency and effectiveness. The study had used both secondary and secondary data, which was analyzed using multiple linear regression models.

Younis and Hussein (2015) also established that continuous improvement had a positive significant influence on organizational performance which is moderated by leadership in pharmaceutical industry in Pakistan. The study points out that leadership which encourages the continuous improvement of the firm's products and services will positively impact on performance, but a lack of proper leadership would not encourage the culture of continuous improvement and this can adversely affect the performance of an organization. Conversely, Anderson et al. (1995) established that continuous improvement, on its own, had no impact on customer satisfaction. In the local context studies such as Owiti (2014) established that continuous quality improvement had a positive correlation with higher revenue per room. Furthermore, a study by Wanyoike (2016) also established that continuous improvement had a positive significant impact on the performance of Kenyan manufacturing companies. In the context of Kenyan hotels limited research has been conducted to establish the influence of continuous improvement on organizational performance based on the insights of customers.

### 2.3.4 Product & Service Design and Organizational Performance

The focus on product and service design is expanding the value offered to customers. Customers of Hospitality products and services usually perceive service process as a whole even though they attach particular emphasis to different service components. Therefore, in the designing hospitality products and services, different product and service aspect should be handled in terms of their roles in the service value chain. When designing the service one should analyze the basic characteristics of the service delivery. Hence, through an effective and efficient service system, the expected service value could be offered. The ground for modern design concept is user orientation (Holmlid, 2007). Customers plays a significant role

in service design since they are the ultimate users. Factors such as their desires and requirements, experiences, behaviors and attitudes are major factors into the design process. Additionally, employee experiences can also provide useful insights, since employees interact daily with customers and thus they have a significant role in the service system (Martin Jr. & Horne, 1994).

Although the main reason in service design is to satisfy the customer's needs beyond their expectations, different factors should also be considered. Internal and external environmental conditions of the enterprise, such as the sector in which the enterprise is included, competitors, technology, social and cultural aspects, operating assets, and price policy, also affect the design (Tonchia, 2008). Hjalager and Nordin (2014) acknowledge the importance of customer feedback and participation. They argue that although customer-oriented innovation is widespread as indicated by recent tourism literature, there is not sufficient validation that it brings the desired outcomes.

Indeed, customer expectations are useful in daily management practices; nevertheless, it may be risky when this is the sole input for innovation. For example, customer expectations may not always be realizable/feasible (DeSouza, et al., 2008), or customers may not clearly express their expectations. However, the service value is based on co-creation of the customer and the service provider, as views' of both sides should be handled together (Tung & Yuan, 2008). In this context, the correct analysis and interpretation of customer expectations becomes crucial. With regard to the above discussion, two fundamental approaches to the service design can be identified.

Currently limited studies have been conducted to establish the influence of product and service design on organizational performance (Zu, 2009; Bhatt & Emdad, 2010; Manyinsa, 2016). Yet product and service design are a key quality management practice based on the insight of the customers that can help in assessing organizational performance. A study conducted by Zu (2009) established that product design enhances quality performance of manufacturing plants in USA. Similar results were also revealed by Bhatt and Emdad (2010) who established that product and service innovation is positively associated with business benefits such as customer responsiveness. Manyinsa (2016) who conducted a study in passenger transport SACCO's in Kenya also revealed that product design has a significant impact on the cost, profit and market share of the organizations. This means that when the

products and services are designed in a manner that incorporate the needs of the customers and are of great quality then people would always be attracted to buy those products and services from the organization producing them and this consequently leads to enhanced customer loyalty and financial performance. In the context of Kenyan hotels limited research has been conducted to establish the influence of product and service design on organizational performance based on the insights of customers. Furthermore a study conducted by Owiti (2014) in Kenyan hotels had overlooked product and service design as one of the variables of interest in TQM practices. Conclusively, there is need for further reaserch to be conducted to establish the influence of product & service design on organizational performance.

### 2.4 Research Gap

There are mixed empirical results on the relationship between adoption of TQM practices and organizational performance. Specifically, there are three schools of thought on the influence of adoption of TQM practices on organizational performance. One finds that adoption of TQM positive influence on organizational performance (Al-basheer et al. (2015); Al-Damen (2017); Das et al. (2006); Sadikoglu and Olcay (2014); Manyinsa (2016); Owiti (2014); Wanyoike (2016); Al-abedallat and Jaafreeh (2013); Agus, Ahmad and Muhammad (2009). Another finds that adoption of TQM practices have no significant influence on organizational performance (Anderson et al. (1995); Motwani, Mahmoun and Rice (1994); Eskildson (1994); Tarrow and Wiley (1991); Lani and Lleshi (2017). Moreover, all of these studies have generally been based on the perspectives of the employees and the management and have therefore, not assessed the TQM practices in a holistic manner. The insights from the customers in regards to how TQM practices influences organizational performance have been completely overlooked. Therefore, this study sought to address the research gap by assessing the insights of the customers on the influence of TQM practices on organizational performance in Star rated hotels in Greater Nairobi Region.

The research gaps to be bridged are further summarized in Table 2.1.

Table 2. 1**: Summary of Literature and Research Gaps to be bridged**

| **Author** | **Objective of the Study** | **Findings** | **Research Gaps to be Bridged** |
|---|---|---|---|
| Al-basheer et al.,(2015) | To establish the effect of total quality management practices on financial performance in Jordan Islamic banks. | Total quality management practices have a positive significant effect on financial performance. | Organizational performance was only focused on financial performance, hence the need to incorporate other organizational performance indicators like employee satisfaction, customer satisfaction and customer loyalty |
| Al-Damen (2017) | To evaluate the impact of total quality management practices on organizational performance in petroleum companies in Jordan | Total management practices including continous improvement, process management and factual technique positively significantly impacts operation efficiency but customer focus, supplier involvement, strategic leardership had no significant effect on organizational performance. | The study failed to incorporate the insights of the customers. |
| Lani and Lleshi | To ascertain the impact | The study revealed | Performance was |

| | | | |
|---|---|---|---|
| (2017) | of quality management system on financial performance in banks operating in Kosovo. | that the quality management system had no significant effect on financial performance. | exclusively operationalized as financial performance; hence this study will focus on non-financial performance indicators like customer satisfaction, customer loyalty and product quality. |
| Agus, Ahmad and Muhammad (2009) | To inquire how quality management practices can influence profitability and productivity in the electronics and electrical sector. | The study established that quality management practices positively influence profitability and productivity in the electronics and electrical sector. | The study was conducted in the electrical sector and there is need for a research to be undertaken in the Kenyan hotels based on the insights of the customers. |
| Phan, Abdallah and Matsui (2011) | To ascertain the association between quality management practices and competitive performance. | The study revealed that quality management practices positively influences competitive performance in Japanese manufacturing firms. | The study was conducted in an international context hence a need for a study to be conducted in a local context with specific reference to Kenyan hotels based on the insights of the customers. |
| Onyango (2016) | To establish the association between total quality | The study revealed that there was no significant association | The study was conducted in the local banking sector hence a |

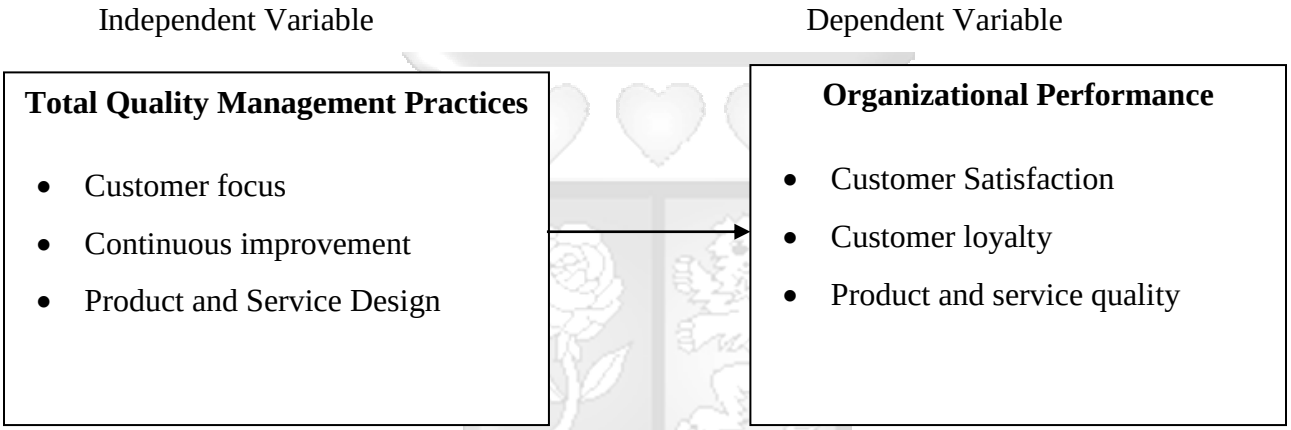
| | | | |
|---|---|---|---|
| | management practices implementation and bank performance in Kenya | between total quality management practices and bank performance | need for a study to be conducted in Kenyan hotels based on the insights of the customers. |
| Manyinsa (2016) | To evaluate the correlation linking total quality management practices and performance of passenger transport Sacco's in Kenya. | The study revealed that there was a strong positive correlation between total quality management practices and performance of passenger transport Sacco's in Kenya. | The study was conducted in the local public vehicle sector hence a need for a study to be conducted in Kenyan hotels based on the insights of the customers. |
| Wanyoike (2016) | To ascertain the impact of total quality management practices on firm performance of manufacturing firms in Kenya. | The study established that top management commitment, customer focus and continuous improvement had a positive significant impact on firm performance | The study was conducted in the local manufacturing sector, hence a need for a study to be conducted in Kenyan hotels based on the insights of the customers. |
| Owiti (2014) | To evaluate total quality management practices implemented by hotels in Nairobi and how they influence hotel performance | The study established that benchmarking greatly positively influenced hotel performance more than other total quality management practices. | The study was conducted in the local hotel sector though it solely focused on the insights of the hotel managers but there is a need to also incorporate the views of the customers. |

Source: Researcher (2019)

## 2.5 The Conceptual Framework

Figure 2.1 represents the conceptual framework depicting the relationship between TQM practices and organizational performance that will be tested in the Kenyan Hotels. The conceptual framework was constructed based on the theoretical and empirical review of the study. The independent variable comprises of the select TQM practices, which will be tested. The dependent variable, which is organizational performance, will comprise of the non-financial measures since our unit of analysis would be the customers.

Figure 2. 1**: Conceptual Framework showing Influence of TQM Practices on Performance of Star rated Hotels.**




Source: Researcher (2019)

## 2.6 Operationalization of Variables

The operationalization of variables and how they will be measured is summarized in table 2.2.

Table 2. 2**: Operationalization of Variables**

| **Independent Variable** | **Construct** | **Operational Construct** | **Measurement** | **Supporting Literature** | **Supporting Theory** |
|---|---|---|---|---|---|
| **Total Quality Management Practices** | Customer focus | Level of usage and agreement | A 5-point Likert Scale of frequency of usage and agreement will be used in the | Joiner (2007); Wanyoike (2016); Manyinsa (2016); Juran (1988) | Deming's Theory; EFQM Framework; Juran's Total |

| | | | | | |
|---|---|---|---|---|---|
| | | | questionnaire | | Quality Management Model. |
| | Continuous improvement | Level of usage and agreement | A 5-point Likert Scale of frequency of usage and agreement will be used in the questionnaire | Manyinsa (2016); Al-basheer et al.,(2015);Wanyoike (2016) | Deming's Theory; EFQM Framework; Juran's Total Quality Management Model. |
| | Product and Service Design | Level of usage and agreement | A 5-point Likert Scale of frequency of usage and agreement will be used in the questionnaire | Zu (2009); Bhatt and Emdad (2010); Manyinsa (2016) | Deming's Theory; EFQM Framework; Juran's Total Quality Management Model. |
| **Dependent Variable:** Organizational Performance | Product and service quality | Level of agreement | A 5-point Likert Scale of agreement will be used in the questionnaire | Motwani, Mahmun and Rice (1994); Talib and Rahman (2010) | Deming's Theory; Juran's Total Quality Management Model. |

| | | | | | |
|---|---|---|---|---|---|
| | Customer satisfaction | Level of usage and agreement | A 5-point Likert Scale of agreement will be used in the questionnaire | Min et al. (2003); Anderson et al. (1995); (Sit et al., 2009) | Deming's Theory; Juran's Total Quality Management Model. |
| | Customer loyalty | Level of usage and agreement | A 5-point Likert Scale of agreement will be used in the questionnaire | (Prybutok et al. 2008) | Deming's Theory; Juran's Total Quality Management Model. |

Source: Researcher (2019)

### 2.7 Chapter Summary

This chapter began by discussing three relevant theories for this study. The Deming's Theory, Juran's Total Quality Management theoretical framework and EFQM model were discussed to explain the influence of Total Quality Management on performance of organizations. The Chapter included an empirical analysis where the following TQM practices were discussed in relation to performance; customer focus, continuous improvement, product, and service design. The research gap drawn from differences in empirical results and conceptualization of variables was highlighted. The chapter ended by presenting the conceptual framework in a diagrammatic form and providing a discussion on the operationalization of the variables under study.

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.1 Introduction

This chapter covers the research philosophy, design, population, data collection, data analysis, research quality and ethical considerations of this study.

## 3.2 Research Philosophy

The research philosophy illustrates the assumptions that individuals make about nature of reality. It also outlines the alignment of the research in relation to whether it is based on objective or subjective realities (Babbie, 2010). Regarding this study, a positivist research philosophy was adopted. This is because this type of philosophical approach quantifies the retrieved data which is statistically analyzed to address research objectives and questions tested to determine facts generalizable to the population which is considered as an objective reality (Williams, 2013). Consequently, this study retrieved data through questionnaires that will be coded, quantified and statistically analyzed using descriptive and inferential models in order to produce facts generalizable to the target population that will precisely address the objectives of this study and agree or contradict with the propositions of the relevant theoretical models. This meant that the study assumed that only factual knowledge is trustworthy.

## 3.3 Research Design

This study adopted a cross-sectional descriptive design that was appropriate in addressing the main purpose of the study. The research design was cross-sectional regarding the period of data collection since data was only retrieved at one point in time but not in multiple stages in time compared to longitudinal design (Zikmund, 2003). The research design was descriptive in nature since it was anchored on the present state of the variables being studied (Baile et al., 2010). Studies such as Al-basheer et al. (2015); Al-Damen (2017); Lani and Lleshi (2017); Phan, Abdallah and Matsui (2011) used cross-sectional descriptive design to establish the influence between TQM practices and organizational performance.

## 3.4 Population of the Study

The study used primary data collected from 44 Star rated Hotels in Greater Nairobi Region registered by Tourism Regulatory Board (Tourism Regulatory Board, 2019). The unit of analysis of the hotels was represented by customers. The customers were chosen owing to the

fact that they procure the products and services of these hotels every day and they are in a position to provide an objective view of whether the products and services offered are of great quality or not. Primary data was used because of its originality. Quantitative data was collected by use of semi-structured questionnaires. Structured questions included a likert scale that was used to measure different aspects of the variables under study. The researcher self-administered the questionnaires to the customers of the Star rated Hotels within Greater Nairobi Region. The researcher facilitated the collection of data by first introdcuing himself to the respondents to seek their permission to participate in this study. Those who agreed to participate in the study were supplied with the questionnaires to fill and return to the researcher either via mail or physically if they were able to fill in their responses on site. The researcher sent reminders to respondents who had not returned the filled questionnaires after every one week for a period of two months. Data was collected between the months of March and April, 2019 with 30th April 2019 as the cut off point for including any more responses into the data analysis.

### 3.5 Sampling Design

A sample is a set of observations drawn from a population by a defined procedure. Samples are collected and statistics are calculated from the samples so that one can make inferences or extrapolations from the sample to the population. Greater Nairobi Region was selected for the study because it is Kenya's capital city and different categories of hotels are operating within the region. Consequently, all the 44 hotels in Greater Nairobi Region were included in the study through a census method. The sample frame for the hotels was obtained from the directory of Tourism Regulatory Board. Since in the case of this study, the population of the customers was unknown, Cochran's Sample Size Formula was used to determine the sample size (Cochran, 1963). The Cochran's Sample Size Formula allows the researcher to calculate an ideal sample size with a desired level of precision, confidence level, and the estimated proportion of the attribute present in the population.

The exact population of the customers was unknown because the customers visiting and procuring hotel services keep varying from time to time. A list of customers cannot therefore, be used as the sample frame to sample the respondents because after the random selection, some of the customers targeted would have gone and new ones would have come.

According to the Cochran's Sample Size Formula, the sample size for the unknown population is presented below.

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where;

$n_0$ = the desired sample size,

e = is the desired level of precision (i.e. the margin of error),

p = is the (estimated) proportion of the population which has the attribute in question,

q = is 1 – p.

Consequently, when the sample size of the population is calculated, it is assumed that p=0.5 (maximum variability). A 95% confidence level is desired with a ±5% precision. A 95% confidence level gives a Z-value of 1.96 as per the normal table. Hence the sample size will be;

$n_0 = ((1.96)^2 (0.5) (0.5)) / (0.05)^2 = 385.$

Therefore, the sample size value was 385 participants. The total sample size was distributed among all the 44 hotels targeted in Greater Nairobi Region through stratified sampling.

### 3.6 Data Collection Methods

The study collected primary data from the respondents by employing semi-structured questionnaires. Cooper and Schindler (2010) hold that questionnaires are easier to administer, it's cheaper, it is easy to quantify the data and conduct statistical analysis and is also time saving. A Likert scale based on a 5-point level of agreement was employed in the questionnaire to enable converting qualitative responses into quantitative values for statistical analysis (Zikmund et al. 2010). The questionnaires was divided into three sections, Section A, Section B and Section C. The Section A part was to solicit demographic information about the respondents and the hotels. Section B was used to solicit data from the respondents on the effectiveness of TQM practices (customer focus, continuous improvement and product and service design). Finally, Section C was used to solicit data on the perceived level of performance (product and service quality, customer satisfaction and customer loyalty) of the Hotels in Greater Nairobi Region. A research permit letter from Strathmore University was

used to inform the participants who the researcher was and the main purpose of conducting the study.

### 3.7 Data Analysis Techniques

Data analysis involves the systematic application of statistical tools to process data into meaningful information (Lewis-Beck, 1995). After the data obtained from paper-based questionnaires was collected it was cleaned, coded and fed into google form sheets. The researcher inspected the data for completeness and imported the data into the Statistical Package for the Social Sciences version 17.0 where descriptive statistics (mean, standard deviation, median), correlation analysis (Spearman's rho) and multiple regression analysis were conducted in that order.

Factor analysis was used to assess the construct validity of the response data and establish if the retrieved data was satisfactory for descriptive, correlation and regression analysis. The regression analysis model was used to establish the influence of TQM practices on performance of Star rated hotels in Greater Nairobi Region. The regression analysis model was able to show if TQM practices (independent variables) comprising of customer focus (representing the 1st objective), continuous improvement (representing the second objective) and product and service design (representing the 3rd objective) caused significant variation in organizational performance (dependent variable).

Prior related studies which include Al-Damen (2017); Wanyoike (2016); Manyinsa (2016); Al-basheer et al. (2015); Talib and Rahman (2010); Owiti (2014); and Lani and Lleshi, (2017) employed the regression model to determine the influence of TQM practices on organizational performance.

The following regression model was used;

$$Y= \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3+ \mu i$$

Where, (Y) embodied the performance indicators (product and service quality, customer satisfaction and customer loyalty) of the Hotels (the dependent variable). On the other hand, ($\alpha$) represented the constant term. The independent variables comprised of: customer focus (X1), continuous improvement (X2), product, and service design (X3). In conclusion, $\beta$ represented the Beta (standardized regression coefficients) and ($\mu i$) represented the error term.

Descriptive statistics was employed to provide a summary overview of the state of affairs of TQM practices and organizational performance. The data analysis measurements comprised of the mean, median, mode and standard deviation. Table 3.1 presents how each objective of the study was measured, analyzed and presented.

**Table 3. 1: Data Analysis and Presentation Techniques of the Study**

| ITEM | DATA ANALYSIS TECHNIQUES | PRESENTATION |
|---|---|---|
| **Demographic data** | Percentages, frequencies, mean and mode. | Tables |
| **First Objective**<br>Influence of customer focus on performance of Star rated hotels in Nairobi Region. | **Descriptive Statistics**<br>Mean, median, mode and standard deviation.<br>**Inferential Statistics**<br>Regression and Correlation Analysis. | Tables |
| **Second Objective**<br>Influence of continuous improvement on performance of Star rated hotels in Nairobi Region. | **Descriptive Statistics**<br>Mean median, mode and standard deviation.<br>**Inferential Statistics**<br>Regression and Correlation Analysis. | Tables |
| **Third Objective**<br>Influence of product and service design on performance of Star rated hotels in Nairobi Region.. | **Descriptive Statistics**<br>Mean, median, mode and standard deviation.<br>**Inferential Statistics**<br>Regression and Correlation Analysis. | Tables |

**Source: Researcher (2019)**

### 3.8 Research Quality

Research quality was ascertained by ensuring its validity and reliability (Wang et al., 2015).

### 3.8.1 Research Validity

External validity relates to the data's ability to be generalized across settings and time was ensured by conducting a census so that the whole population took part in the study. A pilot study was conducted on a sample of 39 respondents who were not included in the final study. This accounted for 10% of the aggregate population. Barringer and Meshoulam (2000) argued that a sample of 10% of the population is adequate for a pilot studies. The pilot test was conducted before issuing the final edited questionnaire to the participants. Subsequently, the questionnaire was edited for it to specifically address the objectives of the study based on the perceptions of the targeted respondents.

### 3.8.2 Research Validity

Internal validity was achieved by tackling content and construct validity. Content validity was confirmed from previous studies that have verified and used the measurement scales employed in this study (Flynn et al., 1999; Wang et al., 2015). Construct validity was confirmed by use of Cronbach's alpha values that were used to check the reliability of the scales and if all the question items measured the same construct. In regard to factor analysis, in order to establish if the question items measure the same construct the factor loadings have to be greater than 0.4 and the even values have to be greater than 1. Although the considerations for what makes a good Cronbach's coefficient are arbitrary and depend on the theoretical knowledge of the scale in question, many methodologists recommend a minimum coefficient of 0.65, coefficients that are less than 0.5 are usually unacceptable, especially for scales purporting to be uni-dimensional (Kistner & Muller, 2004). Table 3.2 below present the Cronbach's Alpha test for the internal consistency of the questionnaire items.

Table 3. 2**: Cronbach's Alpha Test for Reliability Results**

| **Scale** | **Section** | **Cronbach's Alpha** | **Number of Items** |
|---|---|---|---|
| Total Quality Management Practices | Customer Focus | 0.918 | 5 |
| | Continuous Improvement | 0.926 | 5 |
| | Product and Service Design | 0.890 | 5 |
| Hotel Performance Scale | Customer Satisfaction | 0.731 | 4 |
| | Customer Loyalty | 0.851 | 4 |
| | Product and Service Quality | 0.877 | 6 |

**Source: Researcher (2019)**

In Table 3.2 above, the Cronbach's Alpha values for both total quality management practices, scale and hotel performance scale were more than 0.7. This indicated that all the questionnaire items in the study's survey tool were internally consistent and measured same constructs. Hence, the survey tool was reliable for the final data collection exercise.

### 3.9 Ethical Considerations

This research was conducted in an honest and objective manner. The research proposal was reviewed and approved for ethical considerations by the Ethics Review Board of Strathmore University. A research permit was also obtained from National Council of Sciences and Technology (NACOSTI).

The information and concepts that were utilized to build up this research proposal were precisely acknowledged through citations and references to avoid plagiarism. The data collected for this study was used for academic purpose only. Respondent's confidentiality was maintained by ensuring they remained anonymous in the analysis and presentation of findings. There was no mention of respondent's names or specific reference to a company's information made in the analysis of findings.

### 3.10 Chapter Summary

A discussion of the research philosophy, research design, data collection method, data analysis, quality of the study and ethical consideration was brought out in this chapter. Reliability test of the items under study was conducted and all TQM practices and measures of organizational performance were found to be reliable constructs with Cronbach's Alpha values above the recommended minimum value of 0.5.

# CHAPTER FOUR

# DATA ANALYSIS, FINDINGS AND INTERPRETATIONS

## 4.1 Introduction

This chapter presents the results obtained from different statistical analyses in order to answer the research questions. Descriptive statistics were used to describe the demographic information of the respondents and the targeted Star rated hotels operating in Greater Nairobi Region. It was also used to determine the TQM practices (customer focus, continuous improvement and product and service design) implemented by these hotels. Finally, it was also employed to establish the state of affairs of the performance indicators of the targeted hotels. Correlation analysis was used to explain the relationship between the TQM practices and performance of Star rated hotels in Greater Nairobi Region. Furthermore, regression analysis was applied to establish the influence of TQM practices on the performance of Star rated hotels operating in Greater Nairobi Region. The data analyzed was collected using questionnaires between the months of March and April 2019.

## 4.2 Response Rate

The result of the response rate of this study are presented in Table 4.1 below. A total number of 204 questionnaires out of the targeted 385 were completed and considered worthwhile for analysis. The aggregate completed questionnaires indicated a 53% percent response rate. This meant that more than 50% of the respondents were able to provide the data needed to address the objectives of this study. Hence, the data was sufficient to be relied on.

Table 4. 1**: Response Rate**

| | **Frequency** | **Percentage (%)** |
|---|---|---|
| **Responded** | 204 | 53 |
| **Failed to Respond** | 181 | 47 |
| | **385** | **100** |

**Source: Researcher (2019)**

Additionally, only 181 respondents out of the 385 failed to respond and complete the questionnaires. This consequently represented a non-response rate of 47% as presented in Table 4.1 above.

### 4.3 Demographic Information

This section discusses the general demographic information of the respondents and the Star rated targeted hotels in Greater Nairobi Region. The demographic data solicited for the gender, age education level, nationality, the destination hotel, its Star-rate classification and the number of visits made to the hotel by the respondents. The findings of the demographic data retrieved were presented in Table 4.2 below.

**Table 4. 2: Demographic Data Results**

| **Demographic Information on Star-rated Hotels in Greater Nairobi Region** | | **Frequency** | **Percentage (%)** |
|---|---|---|---|
| Gender | Male | 112 | 54.9% |
| | Female | 92 | 45.1% |
| Academic Qualification | Diploma | 59 | 29% |
| | Degree | 83 | 40.7% |
| | Undergraduate | 8 | 3.9% |
| | Certificate | 54 | 26.5% |
| Nationality | Kenya | 204 | 100% |
| | Rest of Africa | - | - |
| | Europe | - | - |
| | USA | - | - |
| | Middle East | - | - |
| Number of Visits | First Visit | - | - |
| | 2 to 5 Visits | 14 | 6.9% |
| | 6 to 10 Visits | 10 | 4.9% |
| | More than 10 Visits | 180 | 88.2% |
| Hotel Classification | 2-Star | 5 | 2.5% |
| | 3-Star | 12 | 5.9% |
| | 4-Star | 88 | 43.1% |
| | 5-Star | 99 | 48.5% |

**Source: Researcher (2019)**

The results above show that majority of the respondents in regards to gender 54.9% were male while 45.1% were female. In regard to their academic qualification; 29% of the respondents were diploma holders, 40.7% were qualified with a bachelor's degree, and 3.9% accounted for the undergraduates while 26.5% were certificate holders. In respect to the nationality, 100% of the respondents were Kenyans. Consequently, on the number of visits the respondents had made to their destination hotels, 6.9% of the participants indicated that they had made 2 to 5 visits to their destination hotels. Moreover, 4.9% of the respondents revealed that they had

made 3 to 10 visits to their destination hotels. While 88.2% of the participants had made more than 10 visits to their destination hotels. Of the responses that were received 2.5% of the respondents had visited a 2-Star hotel, 5.9% of the respondents a 3-Star hotel, 43.1% of the respondents a 4-Star Hotel and finally 48.5% of the respondents a 5-Star hotel.

In conclusion, the Star-rated hotels which this study managed to examine were 29 out of the 44-targeted hotels that operated in Greater Nairobi Region. The hotels comprised of; Villa Rosa Kempinski, Hemingway's Nairobi, Sankara Nairobi, Fairmont The Norfolk, Tribe Hotel, The Sarova Stanley, Dusit D2, Intercontinental Nairobi, The Boma Nairobi, Crowne Plaza, Ole Sereni Hotel, House of Waine, Weston Hotel, Southern Sun Maiyfair Nairobi, Fairview Hotel, Sarova Panafric Hotel, Silver Springs Hotel, Hilton Nairobi Ltd, Nairobi Safari Club, Carnivore Restaurant, The Clarion Hotel, Ngong Hills Hotel, Marble Arch Hotel, Town Lodge, Fahari Gardens Hotel, Boma Inn Nairobi, La Masion Royale, Jacaranda and Hotel Nairobi.

### 4.4 TQM Practices used by Star-Rated Hotels in Greater Nairobi Region

Three TQM practices, which were considered to be of strategic importance, were used in this study. The respondents were asked to indicate the extent to which they agreed or disagreed to five statements per variable on each TQM practice and measures of performance on a five point likert scale where 1 meant strongly disagree, 2 meant disagree, 3 meant somewhat agree, 4 meant agree and 5 meant strongly agree. Descriptive analysis was performed based on the responses for each question whereby the mean scores, standard deviations and overall mean scores of each variable were computed. The subsequent subsection depicts and explains the results of the descriptive analysis.

#### 4.4.1 Customer Focus

With regards to Customer Focus, the highest mean score was 3.358 and the lowest was 3.044. The overall mean score for customer focus was 3.230 with a standard deviation of 1.211. This is presented in Table 4.3.

Table 4. 3**: Customer Focus in Star-Rated Hotels in Greater Nairobi Region**

| **Customer Focus** | | **Mean** | **Standard Deviation** |
|---|---|---|---|
| **1.** | The hotel has mechanisms for handling my queries and complaints promptly. | 3.358 | 1.176 |

| | | | |
|---|---|---|---|
| **2.** | My hotel staff is courteous, empathetic and willing to help me always. | 3.319 | 1.196 |
| **3.** | Customer care employees are easily accessible and handle my requests and queries effectively. | 3.299 | 1.201 |
| **4.** | The hotel always conducts customer feedback surveys on quality issues and acknowledges my feedback. | 3.128 | 1.245 |
| **5.** | The hotel staff provides me with personalized attention and knows my tastes and preferences. | 3.044 | 1.237 |
| **Overall Mean Score** | | **3.230** | **1.211** |

**Source: Survey Data (2019)**

From Table 4.3, the respondents generally agreed that the hotels had mechanisms for handling their queries and complaints with a mean score of 3.358 and a standard deviation of 1.176. Moreover, the respondents also generally agreed that the hotel staff were courteous, empathetic and willing to help them always and that the customer care employees were easily accessible and handled their requests and queries effectively with mean scores of 3.319 and 3.299 respectively and standard deviations of 1.196 and 1.201 respectively. On the other hand, the respondents were generally neutral on whether the hotel always conducts customer feedback surveys on quality issues and acknowledges their feedback with a mean score of 3.128 and a standard deviation of 1.245 and if the hotel staff provides them with personalized attention and knows their tastes and preferences with a mean score of 3.044 and a standard deviation of 1.237. In general, customer focus attributes posted an overall mean score of 3.230 and a standard deviation of 1.211.

### 4.4.2 Continuous Improvement

With regards to Continuous Improvement, the findings of the analysis were presented in Table 4.4 below.

Table 4. 4**: Continuous Improvement in Star-Rated Hotels in Greater Nairobi Region**

| **Continuous Improvement** | | **Mean** | **Standard Deviation** |
|---|---|---|---|
| **1.** | The hotel is a recipient of Quality Certifications/Awards such as ISO Certification, Trip Advisor rankings among others. | 3.662 | 1.064 |
| **2.** | The hotel staff always strives to improve their responsiveness to my requests. | 3.608 | 1.116 |
| **3.** | The quality policies of my hotel are reviewed frequently and are well displayed for my knowledge in the hotel premises. | 3.603 | 1.098 |
| **4.** | The hotel incorporates my feedback in improving their service and product quality. | 3.574 | 1.118 |
| **5.** | The hotel reviews its menu offerings frequently in line with my tastes and preferences. | 3.525 | 1.277 |

| | | |
|---|---|---|
| **Overall Mean Score** | **3.594** | **1.135** |

**Source: Survey Data (2019)**

From table 4.4, the respondents recorded a high level of agreement that the hotels they had visited were recipients of Quality Certifications or Awards such as ISO Certification, Trip Advisor rankings among others and that the hotel staff always strive to improve their responsiveness to their requests with mean scores of 3.662 and 3.608 respectively and standard deviations of 1.064 and 1.116 respectively. Moreover, there was a high level of agreement that the quality policies of the hotels are reviewed frequently and are well displayed for customer knowledge and that the hotels incorporates customer feedback in improving their service and product quality with mean scores of 3.603 and 3.574 respectively and standard deviations of 1.098 and 1.118 respectively. Finally, the respondents generally agreed that hotels review their menu/product offerings frequently in line with customer tastes and preferences. In summary, continuous improvement, attributes recorded an overall mean score of 3.594 and a standard deviation of 1.135.

### 4.4.3 Product and Service Design

With regards to Product and Service Design, the highest mean score was 4.064 and the lowest was 3.657. The overall mean score for this TQM Practice was 3.912 with a standard deviation of 0.923. The findings are shown in Table 4.5 below.

Table 4. 5**: Product and Service Design in Star-Rated Hotels in Greater Nairobi Region**

| **Product and Service Design** | | **Mean** | **Standard Deviation** |
|---|---|---|---|
| **1.** | The hotel provides me with a wide range of products and services. | 4.064 | 0.813 |
| **2.** | The product and services provided by my hotel provides the value that I yearn for. | 4.034 | 0.784 |
| **3.** | The features of my hotel room have been properly and adequately designed to meet my needs. | 3.951 | 0.841 |
| **4.** | The hotel's products and services are unique when compared to other hotels that I have visited. | 3.853 | 1.021 |
| **5.** | The hotel's products and service features are uniquely designed to meet my needs. | 3.657 | 1.158 |
| **Overall Mean Score** | | **3.912** | **0.923** |

**Source: Survey Data (2019)**

From table 4.5 above, the respondents generally strongly agreed that the hotel provides them with a wide range of products and services and that the product and services provided by their

hotel provides the value that they yearn for with mean scores of 4.064 and 4.034 respectively and standard deviations of 0.813 and 0.784 respectively. Furthermore, there was a high level of agreement among the respondents that the features of their hotel rooms have been properly and adequately designed to meet their needs and that the hotels' products and services are unique when compared to other hotels that they have visited before with mean scores of 3.951 and 3.853 respectively and standard deviations of 0.841 and 1.021 respectively. Additionally, the respondents generally agreed that the hotel's products and service features are uniquely designed to meet their needs with a mean score of 3.657 and a standard deviation of 1.158.

### 4.5 Performance Indicators of Star Rated Hotels in Greater Nairobi Region

To rate the performance indicators in the targeted Star rated hotels in Greater Nairobi Region, a 5-point of the level of agreement (Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 4; Strongly Agree = 5) was used. The performance indicators comprised of customer satisfaction, customer loyalty and product and service design. Descriptive statistics comprising of mean and standard deviation was employed to establish the performance level of the targeted Star rated hotels. The findings of the analysis were presented in Table 4.6 below.

Table 4. 6**: Descriptive Results of Performance Indicators of the Targeted Hotels in Greater Nairobi Region**

| | **Customer Satisfaction** | **Mean** | **Standard Deviation** |
|---|---|---|---|
| **1.** | I am very contented with the products and services offered by my hotel. | 4.059 | 0.971 |
| **2.** | I like the hotel because it has provided me on-time solutions to my complaints and queries. | 3.730 | 1.175 |
| **3.** | The hotel provides its services at the time it promise to do so. | 3.706 | 1.128 |
| **4.** | When I have a problem the hotels product or service the management shows a sincere interest in solving it. | 3.559 | 1.347 |
| **Overall Mean Score** | | **3.764** | **1.155** |
| | **Customer Loyalty** | | |
| **1.** | I am highly likely to buy the products and services of the hotel next time. | 4.108 | 0.780 |
| **2.** | I am confident to recommend the hotel to my friends, family or colleagues. | 4.103 | 0.732 |
| **3.** | I am not willing to go to any other hotel due to the value and standards provided by my current hotel. | 3.917 | 0.832 |
| **4.** | I am willing to pay more for the products and services offered by | 3.784 | 1.033 |

| | | | |
|---|---|---|---|
| | the hotel. | | |
| **Overall Mean Score** | | **3.978** | **0.844** |
| | **Product and Service Quality** | | |
| **1.** | I feel secure within the hotel premises. | 4.275 | 0.718 |
| **2.** | The foodstuff is well cooked and served in a clean environment. | 4.172 | 0.705 |
| **3.** | The hotel staff is very helpful to customers, courteous and competent in their work. | 4.113 | 0.855 |
| **4.** | The product and service features match my tastes and preferences. | 4.029 | 0.920 |
| **5.** | The hotel ensures consistency in its product and services offerings. | 3.980 | 0.910 |
| **6.** | The hotel has well maintained and adequate facilities such as rest rooms, gym, and swimming pool among others. | 3.912 | 1.028 |
| **Overall Mean Score** | | **4.080** | **0.856** |

**Source: Survey Data (2019)**

From Table 4.6, in regard to customer satisfaction performance attributes of the targeted star rated hotels. The respondents recorded a high level of agreement that they were very contented with the products and services offered by the hotels they had visited and that they like the hotels because they have been provided with on-time solutions to their complaints and queries with mean scores of 4.059 and 3.730 respectively and standard deviations of 0.971 and 1.175 respectively. Moreover the respondents also recorded a high level of agreement that the hotels provided service at the time they promised to do so and that when they had a problem with the hotel's product or service the Hotel's Management showed a sincere interest in solving it with mean scores of 3.706 and 3.559 respectively and standard deviations of 1.128 and 1.347 respectively. In general, customer satisfaction as a performance indicator recorded an overall mean score of 3.764 and a standard deviation of 1.155.

Moreover, in respect to customer loyalty performance attributes the descriptive statistic results showed that the respondents were highly likely to buy the products and services of the hotel next time and that they were confident to recommend the hotel to their friends, family or colleagues with mean scores of 4.108 and 4.103 respectively and standard deviations of 0.780 and 0.732 respectively. Additionally, the respondents agreed that they were not willing to go to any other hotel due to the value and standards provided by their current hotel and that they were willing to pay more for the products and services offered by the hotel with mean scores of 3.917 and 3.784 respectively and standard deviations of 0.832 and 1.033 respectively. In summary customer loyalty as a performance indicator recorded an overall mean score of 3.978 and a standard deviation of 0.844.

Finally, in regard to product and service quality attributes. The descriptive analysis results revealed that the respondents strongly agreed that they felt secure within the hotel premises, the foodstuff was well cooked and served in a clean environment and that the hotel staff were very helpful to customers, courteous and competent in their work with mean scores of 4.275, 4.172 and 4.113 respectively and standard deviations of 0.718, 0.705 and 0.855 respectively. Moreover the respondents recorded a high level of agreement that the product and service features matches their tastes and preferences, the hotel ensures consistency in its product and services offerings and that the hotel had well maintained and adequate facilities such as rest rooms, gym, and swimming pool among others with mean scores of 4.029, 3.980 and 3.912 respectively and standard deviations of 0.920, 0.910 and 1.028 respectively. In general, product and service quality as a performance indicator recorded an overall mean score of 4.080 and a standard deviation of 0.856.

## 4.6 The Influence of TQM Practices on Performance of Star rated Hotels in Greater Nairobi Region.

This study aimed at assessing the influence of TQM practices; customer focus, continuous improvement and product and service design on the performance of Star rated hotels in Greater Nairobi Region. Correlation analysis was used to illustrate the relationship between the variables. Additionally, regression analysis was employed to ascertain if the TQM practices aforementioned explained the variability in the performance of the Star rated hotels targeted in Greater Nairobi Region.

### 4.6.1 Correlation Analysis

The study used Spearman's rank order (rho) correlation model to assess the relationship between the TQM practices and performance of the Star rated hotels in Greater Nairobi Region. Spearman's rho correlation was appropriate for this study since it is used to assess the monotonic association between variables (Laerd Statistics, 2018) based on nonparametric data that is measured on an ordinal scale (Puth, Neuhauser, & Ruxton, 2015). Also considering the fact that the data retrieved was assessed on an ordinal scale (a 5-point Likert scale of agreement level).

The co-efficients of correlation are the measures of the statistical association (Ganti, 2019). Their figure denotes the strength and association of the variables (Rebekic et al., 2015). The figures of co-efficient of correlation ranges from -1 to 1 (Ganti, 2019; Rebekic et al., 2015). In

summary, values that are more than 0 portrays a positive association of the variables while the values that are less than 0 denotes a negative association of the variables and finally 0 portrays no association between the variables (Ganti, 2019; Rebekic et al., 2015). The results of the correlation analysis are depicted in Table 4.7 below. In regard to the results presented in Table 4.7 below, the association between the variables at 0.01 significance level is denoted by two asterisks (**) while correlation at 0.05 level between variables is shown by one asterisk (*).

Table 4. 7**: Correlation Analysis Results on the Relationship between TQM Practices and Performance of Star Rated Hotels in Greater Nairobi Region.**

| Spearman's Correlation | | | | | | |
|---|---|---|---|---|---|---|
| | | | **Customer Focus** | **Product and Service Design** | **Continuous Improvement** | **Organizational Performance** |
| **Spearman's rho** | **Customer Focus** | Correlation co-efficient | 1.000 | 0.472** | 0.534** | 0.412** |
| | | Sig. (2-tailed) | | 0.000 | 0.000 | 0.000 |
| | | N | 204 | 204 | 204 | 204 |
| | **Product and Service Design** | Correlation co-efficient | 0.472** | 1.000 | 0.555** | 0.637** |
| | | Sig. (2-tailed) | 0.000 | | 0.000 | 0.000 |
| | | N | 204 | 204 | 204 | 204 |
| | **Continuous Improvement** | Correlation co-efficient | 0.534** | 0.555** | 1.000 | 0.528** |
| | | Sig. (2-tailed) | 0.000 | 0.000 | | 0.000 |
| | | N | 204 | 204 | 204 | 204 |
| | **Organizational Performance** | Correlation co-efficient | 0.412** | 0.637** | 0.528** | 1.000 |
| | | Sig. (2-tailed) | 0.000 | 0.000 | 0.000 | 0.000 |
| | | N | 204 | 204 | 204 | 204 |
| ****Correlation is significant at the 0.01 level (2-tailed)** | | | | | | |

**Survey Data (2019)**

### 4.6.1.1 Influence of Customer Focus on Performance of Hotels in Greater Nairobi Region

In regard to establishing the influence of customer focus on performance of hotels in Greater Nairobi Region. The findings of the Spearman's rho correlation analysis as portrayed in Table 4.7 established that customer focus had a moderate positive association with performance of hotels in Greater Nairobi Region at 99% confidence level because it documented a positive correlation co-efficient value of 0.412 and a p-value of 0.000 which was less than 0.01. The correlation co-efficient figure denoted a moderate relationship based on Yue, Pillon and

Cavadias' (2002) recommendation that correlation co-efficient value between 0.40 and 0.59 represents a moderate association between the variables. This meant that the highest and the lowest values of agreement level of customer focus were moderately positively associated with the highest and lowest values of agreement level of performance. This in essence meant that an increase in customer focus was linked to the increase of the performance of Star rated hotels in Greater Nairobi Region though in a moderate linear fashion.

#### 4.6.1.2 Influence of Continuous Improvement on Performance of Hotels in Greater Nairobi Region

The results of the Spearman's rho correlation analysis as shown in Table 4.7 revealed that continuous improvement had a significant moderate relationship with organizational performance at 99% confidence level since it recorded a positive correlation co-efficient of 0.528 and a p-value of 0.000 which was less than 0.01. This meant that the highest and the lowest values of agreement level of continuous improvement were moderately positively associated with the highest and lowest values of agreement level of performance. This in essence meant that an increase in continuous improvement was linked to the increase of the performance of hotels in Greater Nairobi Region though in a moderate linear fashion.

#### 4.6.1.3 Influence of Product and Service Design on Performance of Hotels in Greater Nairobi Region

With respect to establishing the influence of product and service design on performance of hotels in Greater Nairobi Region. The results of the Spearman's rho correlation analysis as depicted in Table 4.7 revealed that product and service design had a significant strong positive relationship with performance at 99% confidence level since it posted a positive correlation co-efficient value of 0.637 and a p-value of 0.000 which was less than 0.01. The correlation co-efficient value signified a strong relationship since Yue, Pillon and Cavadias (2002) contended that correlation co-efficient figures ranging between 0.60 to 0.79 portrays a strong association between the variables. This meant that the highest and the lowest values of agreement level of product and service design were strongly positively associated with the highest and lowest values of agreement level of performance. Consequently, it meant that an increase in Product and Service Design was directly linked to the subsequent increase of the performance of hotels in Greater Nairobi Region.

### 4.6.2 Regression Analysis

Multiple linear regression model was employed to establish if the TQM practices (customer focus, continuous improvement and product and service design) explained the variability in the performance of the star rated hotels targeted in Greater Nairobi Region. Performance was the dependent variable and the three TQM practices namely customer focus, continous improvement and product and service design were the independent variables in this multiple regression. From the results of the coefficients output in table 4.8, the Beta values of the unstandardized coefficients were used to come up with the following regression equation:

$Y= 1.39 + 0.009X1 + 0.192X2 + 0.473X3$

Where:

Y = Performance (represent by customer satisfaction, customer loyalty and product and service quality performance indicators).

1.39= the value of performance when TQM practices were non-existent holding all other factors constant.

+0.009 X1= the coefficient of customer which means that for every unit increase in costumer focus, we expect operational performance to increase by 0.009 holding all other factors constant.

0.192X2= the coefficient of continous improvement which means that for every unit increase in continous improvement, we expect performance to increase by 0.192 holding all other factors constant.

0.473X3= the coefficient of product and service design which means that for every unit increase in product and service design, we expect performance to increase by 0.473 holding all other factors constant.

Table 4. 8**: TQM Practices and Performance regression results**

| Model Summary | | | | | |
|---|---|---|---|---|---|
| **Model** | **R** | **R-Square** | **Adjusted R-Square** | **Std. Error of the Estimate** | **Durbin Watson** |
| 1 | 0.734[a] | 0.539 | 0.532 | 0.45805 | 1.689 |
| | | | | | |
| a. Predictors: (Constant), Customer Focus, Continuous Improvement, Product and Service Design<br>b. Dependent Variable: Performance | | | | | |

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| 1 | Regression | 49.081 | 3 | 16.360 | 77.977 | 0.000[a] |
| | Residual | 41.962 | 200 | 0.210 | | |
| | Total | 91.043 | 203 | | | |
| a. Dependent Variable: Performance<br>b. Predictors: (Constant), Customer Focus, Continuous Improvement, Product and Service Design | | | | | | |

| Regression Co-efficients | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Unstandardized Co-efficients** | | **Standardized Co-efficients** | **t** | **Sig.** |
| | | **B** | **Std. Error** | **Beta** | | |
| 1 | (Constant) | 1.390 | 0.174 | | 7.983 | 0.000 |
| | Customer Focus | 0.009 | 0.037 | 0.014 | 0.232 | 0.817 |
| | Continuous Improvement | 0.192 | 0.039 | 0.296 | 4.941 | 0.000 |
| | Product and Service Design | 0.473 | 0.052 | 0.530 | 9.169 | 0.000 |
| a. Dependent Variable: Performance | | | | | | |

| | | Collinearity Statistics | |
|---|---|---|---|
| **Model** | | **Tolerance** | **VIF** |
| 1 | Customer Focus | 0.681 | 1.468 |
| | Continuous Improvement | 0.641 | 1.559 |
| | Product and Service Design | 0.689 | 1.451 |
| a. Dependent Variable: Organizational Performance | | | |

**Source: Survey Data (2019)**

Table 4.8 above shows the results of the analysis of the influence of TQM practices on performance. From the output at the first section of the table labelled model summary, we can pick out that R-value was 73.4% hence this amount of the data was explained by the model. This implied that the model fits the data well hence, its predictive power was very high. Besides that, the R-Square of the model was 0.539 which evidently spelt out that 53.9% change of the dependent variable (performance) was explained by the TQM practices under study (customer focus, continuous improvement and product and service design). On the other hand, the adjusted R-Square was 0.532 which meant that 53.2% of the variation was explained by only those independent variables that really influenced the dependent variable. The value of the adjusted R-Square was closer to the R-Square which meant that all the predictor variables in the model explained the variability of the dependent variable. Furthermore in Table 4.8 at the first section of the table labelled model summary, the standard error of estimate posted a value of 0.45805 which was a significantly small value. This meant that the data did not fall very much from the regression line hence portraying the goodness fit of the model. Besides that the Durbin-Watson Statistic recorded a figure of 1.689. The Durbin-Watson Statistic tests for serial correlation of error terms for the adjacent cases (Field, 2013). Its figures ranges between 0 and 4 (Field, 2013). A value that is greater than 2 signifies a negative correlation between the adjacent residuals whereas a figure that is less than 2 indicates a positive correlation (Field, 2013). The criterion of the test statistic is that figures which are lower than 1 or greater than 3 are definitely a cause of concern additionally when the figure is closer to 2 the better. In regard to this study the Durbin-Watson Statistic figure of 1.689 was close to 2 indicating a positive serial correlation of the error terms hence desirable based on the stipulated benchmark rule.

In the second section of the same table, we have the analysis of variance (ANOVA) which describes how well the regression equation fits the data that is how well the independent variables significantly predict the dependent variable. This result was interpreted such that if the significance of the F value was less than 0.05 the model was significant, otherwise insignificant. In this case the significance of F was 0.000 which was less than 0.05 hence the model was significant. Therefore this indicated that the model comprising of the predictor variables namely; customer focus, continuous improvement and product and service design was statistically significant in explaining the variability on the dependent variable (performance).

The third section of the table contains the regression co-efficients including the significance levels and intercept. From this output, only continuous improvement and product and service design were significant at 95% confidence level.

The fourth section of the table enabled us to check on multicollinearity whereby Variance Inflation Factor (VIF) and Tolerance values were used. Field (2009) contended that the VIF figures that are greater than 10 and the tolerance values that are closer to 0 denotes the existence of Multicollinearity. This was the rule of thumb that the study used to assess for multicollinearity among its independent variables. In Table 4.8, the findings of the Multicollinearity tests showed that the tolerance and the VIF figures of customer focus were 0.681 and 1.468 respectively. Besides that, the tolerance and the VIF figures of continuous improvement were 0.641 and 1.559 respectively. Lastly, the tolerance and the VIF values of product and service design were 0.689 and 1.451 respectively. Grounded on the outcomes of the analysis, the tolerance figures of all the independent variables were far enough from 0 and their VIF values were less than 10. Therefore this indicated that there was no multicollinearity amongst all the independent variables evaluated.

#### 4.6.3.1 Influence of Customer Focus on Performance of Hotels in Greater Nairobi Region

In regard to establishing the influence of customer focus on performance of hotels in Greater Nairobi Region. The findings of the multiple linear regression analysis as indicated in Table 4.8 showed that when customer focus rises by one unit then organizational performance would increase by 0.9%. Additionally its influence on performance would be statistically insignificant at 95% confidence level because its p-value of 0.817 was more than the benchmark figure of 0.05. This meant that the variation in the performance of hotels was not significantly explained by customer focus even though the Spearman's correlation analysis results depicted that customer focus had a moderate significant relationship with the performance of hotels in Greater Nairobi Region.

#### 4.6.3.2 Influence of Continuous Improvement on Performance of Hotels in Greater Nairobi Region

With reference to establishing the influence of continuous improvement on performance of hotels in Greater Nairobi Region; the findings of the multiple linear regression analysis as shown in Table 4.8 revealed that, when continuous improvement escalates by a single unit

then organizational performance would rise by 19.2%. Moreover, its influence on organizational performance would be statistically significant at 95% confidence level since its p-value of 0.000 was less than 0.05. Consequently, it meant that the variation in the performance of hotels was significantly explained by continuous improvement. However, the relationship between continuous improvement and performance of the hotels had a positive, significant moderate relationship as it had been portrayed by the Spearman's rho correlation analysis results. When compared to customer focus, even though they had a significant positive moderate relationship with the performance of the hotels, continuous improvement depicted a significant positive influence on performance of the hotels while customer focus had an insignificant positive influence on it.

#### 4.6.3.3 Influence of Product and Service Design on Performance of Hotels in Greater Nairobi Region

The findings of the multiple linear regression analysis as shown in Table 4.8 revealed that a unit growth of product and service design will subsequently escalate performance by 47.3%. Additionally, its influence on organizational performance would be statistically significant at 95% confidence level because its p-value was 0.000 which was less than 0.05. Therefore, it meant that the variation in the performance of hotels was significantly explained by product and service design considering the fact that it also had a strong significant association with it as had earlier been pointed out by the Spearman's rho correlation analysis results. Furthermore, the results revealed that it actually accounted for a huge positive variation in the performance of hotels in Greater Nairobi Region when compared to customer focus and continuous improvement.

### 4.7 Chapter Summary

This chapter described how data was analyzed in order to address the objectives of the study. The descriptive statistics comprising of mean and standard deviation was used to establish the state of affairs of the TQM practices implemented and the performance indicators of the targeted Star rated hotels in Greater Nairobi Region. In general the respondents agreed that all the TQM practices namely; customer focus, continuous improvement and product and service design had been implemented and used in the targeted Star rated hotels in Greater Nairobi Region. Moreover, the respondents agreed that performance indicators comprising of

customer satisfaction, customer loyalty and product and service quality had been sufficiently achieved by the targeted Star rated hotels in Greater Nairobi Region.

To establish the influence of TQM practices on the performance of hotels in Greater Nairobi Region Spearman's rho correlation and multiple linear regression models were employed. In line with the first specific objective that sought to establish the influence of customer focus on the performance of Star rated hotels in Greater Nairobi Region. The results of the correlation analysis revealed that customer focus had a significant moderate relationship with performance of the Star rated hotels. Conversely, the regression results established that customer focus had a positive insignificant influence on the performance of Star rated hotels in Greater Nairobi Region.

Besides that, the second objective sought to establish the influence of continuous improvement on performance of Star rated hotels in Greater Nairobi Region. The correlation analysis results indicated that continuous improvement had a significant moderate relationship with performance of the hotels. Conversely, the regression analysis results showed that continuous improvement had a positive significant influence on the performance of the Star rated hotels in Greater Nairobi Region.

Finally, in respect to the third objective that sought to establish the influence of product and service design on the performance of Star rated hotels in Greater Nairobi Region; the correlation analysis results exhibited that product and service design had a significant strong positive relationship with performance of the Star rated hotels. Additionally, the regression analysis results revealed that product and service design significantly influence the positive performance of Star rated hotels in Greater Nairobi Region.

# CHAPTER FIVE

# DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

This chapter summarizes and concludes the findings of this study. Managerial implications of these conclusions for hotel establishments are also discussed. Limitations for this study are also discussed and complemented by suggestions for further research on this subject.

## 5.2 Discussion of the Findings

The primary objective of the study was to establish the influence of TQM practices on the performance of hotels in Greater Nairobi Region. The core objective was addressed by three specific objectives; to establish the influence of customer focus on performance of Star rated hotels in Greater Nairobi Region, to establish the influence of continuous improvement on performance of Star rated hotels in Greater Nairobi Region and to establish the influence of product and service design on the performance of Star rated hotels in Greater Nairobi Region. The research findings were analyzed by descriptive statistics, correlation and regression analysis. The subsequent section discusses the research outcomes of the study based on the three specific objectives of the study.

### 5.2.1 The Influence of Customer Focus on Performance of Hotels in Greater Nairobi Region

In line with the first specific objective of the study that sought to establish the influence of customer, focus on the performance of Star-rated hotels in Greater Nairobi Region. From descriptive statistics, Star-rated hotels in Greater Nairobi Region have mechanisms for handling customer queries and complaints promptly. Moreover, the descriptive analysis also revealed that the hotel staffs are always courteous, empathetic and willing to assist the customers when in need. Additionally, customer care employees are easily accessible and handle customer requests and queries effectively. The correlation analysis results showed that customer focus had a significant positive moderate relationship with performance of the Star-rated hotels in Greater Nairobi Region. The correlation analysis results concurred with the research outcomes of Al-abedallat and Jaafreeh (2013) which revealed that customer focus has a positive significant relationship with organizational performance of Jordan banks.

Conversely, the regression analysis results revealed that customer focus had a positive insignificant influence on the performance of Star-rated hotels in Greater Nairobi Region. The

findings of the study conflicted with Sadikolglu and Olcay (2014) whose findings indicated that customer focus not only significantly influenced operational and financial performance but it was the only TQM practice that significantly influenced performance. The findings of this study also conflicted with the research outcomes of (Al-abedallat and Jaafreeh, 2013; Al-Damen, 2017) which established that customer focus significantly influenced organizational performance. The possible reasons for the insignificant influence on performance could be pointed to the descriptive findings of the study. The findings revealed that, the customers chose not to agree but be neutral on the customer focus statements that; the hotels always conducts customer feedback surveys on quality issues and acknowledges their feedback and that the hotel staff provide customers with personalized attention and know their tastes and preferences.

Esiaba (2016) argued that numerous business set-ups are obliged to work hard in order to meet or exceed the expectations of their customers. Obtaining better and deeper perceptions in regard to customer needs and expectations will precisely assist hotel organizations to gain competitive advantage over its rivals. Though the influence of customer focus was insignificant on performance, it had a weak positive impact. Consequently, it supported the proposition of EFQM model that quality management practices produces desirable outcomes like in the case of this study; customer satisfaction, customer loyalty and product and service quality. Moreover, it also supported the theoretical proposition of Juran and Deming models that customer focus as a TQM practice enhances customer satisfaction, loyalty, and product and service quality.

### 5.2.2 The Influence of Continuous Improvement on Performance of Star-rated hotels in Greater Nairobi Region.

From descriptive statistics, most of the hotels are recipients of Quality Certifications and Awards. Moreover, most of the hotel staff always strives to improve their responsiveness to their customers and the quality policies are always reviewed and are well displayed for customer's knowledge. Additionally, the hotel incorporates customer feedback in improving their service and product quality and always reviews their menu offerings frequently in line with changes in customer tastes and preferences. The correlation analysis results showed that continuous improvement had a significant moderate relationship with the performance of the Star-rated hotels in Greater Nairobi Region. Equally, the regression analysis results showed

that continuous improvement had a positive significant influence on the performance of hotels in Greater Nairobi Region.

The findings of the study coincided with the research findings of Wanyoike (2016) who had established that continuous improvement has a positive significant influence on the performance of manufacturing firms in Kenya. Moreover, it also concurred with the research outcomes of Al-basheer et al (2015) which revealed that continuous improvement of banking operations has a positive significant impact on profitability ratios. Additionally, the findings of this study agreed with the research outcomes of Al-Damen (2017) who established that continuous improvement has a positive and significant influence on the performance of Jordan Oil petroleum sector. Interestingly, the research findings of this study conflicted with Anderson et al. (1995) who had established that continuous improvement has no impact on customer satisfaction as a non-financial performance indicator.

Based on the findings of the study it can be confirmed that the best strategy of enhancing organizational output is through continuously improving the product and service delivery to the customers as contended by Corbett and Rastrick (2000). Moreover, in regard to the findings of this study it can be confirmed that service quality management practices has become a very important factor for business performance and sustainability in today's business as contended by Moses and Kibera (2015). Moreover the findings of this study upheld the theoretical propositions of the EFQM, Juran and Deming models that TQM practices in regard to continuous improvement leads to enhanced organizational performance in terms of achieving customer satisfaction, customer loyalty and product and service quality.

### 5.2.3 The Influence of Product and Service Design on Performance of Hotels in Greater Nairobi Region

The descriptive analysis results confirmed that the Star-rated hotels in Greater Nairobi Region provide their customers with a wide range of products and services that are of great value to them. Moreover, most of the Star-rated hotels in Greater Nairobi Region provide rooms that are properly and adequately designed to meet their customer needs. Moreover, the products and services of the Star-rated hotels in Greater Nairobi Region are unique when compared to other hotels that the respondents had visited. Finally, the Star-rated hotels' products and service features are uniquely designed to meet the customer needs. The correlation analysis results revealed that product and service design had a significant strong positive association

with the performance of the Star-rated hotels in Greater Nairobi Region. On top of that, the regression analysis outcomes showed that product and service design significantly influence the positive performance of the Star-rated hotels in Greater Nairobi Region.

This meant that product and service design to a great extent consequently leads to product and service quality, which satisfies the needs of the customers and enhances their loyalty towards the Star-rated hotels in Greater Nairobi Region. The findings of the study agreed with Manyinsa (2016) who had conducted a similar research investigation in passenger transport SACCO's in Kenya which had established that product and service design has a significant effect on profit and market share of the passenger transport SACCOs. Moreover, the findings of this study also concurred with the research outcomes of Zu (2009) who had revealed that product and service design improves the quality performance of manufacturing plants in USA. Additionally, the findings of this study also harmonized with the research findings of Bhatt and Emdad (2010) who confirmed that product and service innovation is linked with the business benefits of firms such as customer responsiveness.

The research findings of this study agreed with Thiong'o (2007) that hotels offering quality services are the primary destination drivers in Kenya. This purports that when the products and services are designed in a way that considers customers needs and preferences and are of great quality. Then the customers in the hotel market would always be appealed to procure those products and services from the hotels producing them. Therefore leading to enhanced customer loyalty and financial performance. The findings of this study upheld the theoretical propositions of the EFQM, Juran and Deming models that TQM practices in respect to continuous improvement leads to improved organizational performance in terms of achieving customer satisfaction, customer loyalty and product and service quality. According to Juran's theoretical model, business enterprises are obligated to design their product and service features to match the needs and preferences of their clients in order to attain customer satisfaction and improved firm performance.

### 5.3 Conclusions

In conclusion, the study established that customer focus had a weak positive influence on the performance of Star-rated hotels in Greater Nairobi Region, probably because of lack of customer feedback surveys on quality issues and lack of personalized attention by the hotel staff in knowing their customer's tastes and preferences. On the other hand, the findings of

this study revealed that continuous improvement and product & service design had a positive significant influence on the performance of Star-rated hotels in Greater Nairobi Region. Meaning that continuous improvement and product & service design plays a very important role in enabling the Star-rated hotels to produce quality products and services which satisfies their customers and enhances their loyalty.

## 5.4 Recommendations

Based on the discussion of the research findings and conclusions in the preceding sections, the following managerial recommendations, policy recommendations and contribution to knowledge were made as discussed in the ensuing subsections below.

### 5.4.1 Managerial Recommendations

The study recommends to management of the hotels to improve their customer focus practices with specific reference to conducting frequent customer feedback surveys on quality issues and ensuring that their staff provides personalized attention to their customers to better understand their tastes and preferences. This will enable them continue addressing the ever changing customer tastes and preferences and continue improving on their performance and gaining more market share. Additionally, hotel Management should consider continuous improvement of their products and service features in order to consistently produce quality products and services.

### 5.4.2 Policy Recommendations

The government and the policy makers should formulate policy frameworks based on the research findings of this study for all the hotels in Kenya that will obligate them to implement customer focus, continuous improvement and product and service design as the most essential TQM practices, which would enhance their organizational performance.

### 5.4.3 Contribution to Knowledge

Finally, this research contributes to existing literature by attempting to expound on the influence of TQM on performance of Star Rated hotels in Kenya based on the insights of the customers. This current contribution to the body of knowledge on this area should provide a basis for further research by other interested scholars.

## 5.5 Limitations of the Study and Suggestions for Future Research

This study was not without limitation. First, the scope of this study was limited to a sample of 44 Star-rated hotels in Greater Nairobi Region. This might not adequately represent the views of the whole hotel population in Greater Nairobi Region let alone for the entire country in investigating the influence of TQM practices on performance of the Star rated hotels. The hotels omitted could probably have given a very different insight about the influence of TQM practices on the performance of hotels in Greater Nairobi Region or the whole of Kenya. Future studies might consider incorporating the whole population of the hotels operating in Kenya to obtain the true picture of the influence of the TQM practices on the performance of the hotels.

Additionally the research only focused on three TQM practices, namely; customer focus, continuous improvement and product and service design that were considered to be of strategic importance. Other TQM practices could also be studied to find out their influence on performance of hotels based on the perspectives of the customers.

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# APPENDICES

## APPENDIX 1: INTRODUCTION LETTER

Strathmore UNIVERSITY

27 March, 2019

**TO WHOM IT MAY CONCERN**

**Academic Reference for Mwaura Bernard Ndung'u Student No 103009**

Mr. Mwaura Bernard Ndung'u is a postgraduate student in our Master of Commerce (MCom) programme. In partial fulfilment of the MCom degree, students are required to carry out a research project and write a thesis on a contemporary subject within their field of specialisation. Among other activities, the project involves data collection and analysis.

Bernard is requesting to gather information to be used in his research. The information he will obtain from your organization will be used for this academic purpose only and will be kept confidential. The results of the survey will be in summary form and will not disclose any individual, company name or company information in any way.

The research study is entitled **"Influence Of Total Quality Management Practices on Performance of Hotels in Nairobi County."**

We hope that your organization can assist by providing information to the above named student.

Yours faithfully,

Quindos Karanja
Coordinator – Master Programmes
Strathmore University Business School
Email: qkaranja@strathmore.edu

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email info@strathmore.edu www.strathmore.edu

## APPENDIX 2: ETHICAL APPROVAL

Strathmore UNIVERSITY

18th April 2019

Mwaura Bernard Ndung'u
mwaura.bernard@strathmore.edu

Dear Bernard,

**REF Protocol ID:** SU-IERC0378/19

**INFLUENCE OF TOTAL QUALITY MANAGEMENT PRACTICES ON PERFORMANCE OF STAR RATED HOTELS IN NAIROBI COUNTY.**

We acknowledge receipt of your application documents to the Strathmore University Institutional Ethics Review Committee (SU-IERC) which includes:

1. Study Protocol submitted 29th March 2019
2. Cover letter listing all submitted documents 29th March 2019
3. Proposal declaration Page signed by supervisors 29th March 2019

The committee has reviewed your application, and your study "*Influence of total quality management practices on performance of star rated hotels in Nairobi county.*" has been granted **approval**.

This approval is valid for one year beginning **18th April 2019** until **17th April 2020**

In case the study extends beyond one year, you are required to seek an extension of the Ethics approval prior to its expiry. You are required to submit any proposed changes to this proposal to SU-IERC for review and approval prior to implementation of any change.

SU-IERC should be notified when your study is complete.

Thank you

Sincerely,

STRATHMORE UNIVERSITY INSTITUTIONAL ETHICS REVIEW COMMITTEE (SU-IERC) 18 APR 2019 TEL: +254 (0)703 034 000 P. O. Box 59857 - 00200 NAIROBI - KENYA

Prof. Florence Oloo
**Secretary**
**Strathmore University Institutional Ethics Review Committee**

Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email admissions@strathmore.edu www.strathmore.edu

**APPENDIX 3: QUESTIONNAIRE**

The primary purpose of this survey is to retrieve data on the influence of Total Quality Management (TQM) practices on performance of Star Rated Hotels in Nairobi Region. You are respectfully requested to respond to the questions in this questionnaire honestly. All the responses that you will record in this questionnaire will be treated confidentially and will exclusively be employed for generalization purposes only. Your voluntary participation will be greatly cherished.

**(Please tick √ inside the box [ ] where it is applicable)**

**SECTION A: DEMOGRAPHIC DATA**

1. Gender: Male [ ] Female [ ]

2. Age: 20-25 years [ ] 26-35 years [ ] 36-45 years [ ] 46-55years [ ] 56 years and above [ ]

3. What is your highest level of Education

……..

4. Nationality: Kenya [ ] Rest of Africa [ ] Europe [ ] USA [ ] Middle East [ ] Other (Specify)…… .

5. Name of your Destination Hotel……

……..

6. Number of visits to this hotel: First visit [ ] 2 to 5 visits [ ] 6 to 10 visits [ ] more than 10 visits [ ]

7. Hotel Classification: 2-Stars [ ] 3-Stars [ ] 4-Star [ ] 5-Stars [ ] Others [ ]

**SECTION B: TQM PRACTICES USED BY STAR RATED HOTELS IN GREATER NAIROBI REGION.**

To what degree are the statements in the table below relating to TQM practices accurate based on the hotel you've procured services from (Tick √ where appropriate: Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 4; Strongly Agree = 5).

| No. | STATEMENT | Strongly Disagree | Disagree | Not Sure | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| **(I)** | **CUSTOMER FOCUS** | | | | | |
| **1.** | The hotel has mechanisms in place for handling my and queries | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | complaints promptly. | | | | | |
| **2.** | Customer care employees are easily accessible and handle my requests and queries effectively. | | | | | |
| **3.** | The hotel staff are courteous, empathetic and willing to help me always. | | | | | |
| **4.** | The hotel always conducts customer feedback surveys on quality issues and acknowledge my feedback. | | | | | |
| **5.** | The hotel staff provide me with personalized attention and know my tastes and preferences | | | | | |
| **(II)** | **CONTINOUS IMPROVEMENT** | | | | | |
| **1.** | The quality policies of my hotel are reviewed frequently and are well displayed for my knowledge in the hotel premises. | | | | | |
| **3.** | The hotel is a recipient of Quality Certifications/Awards such as ISO Certification, Trip Advisor rankings among others. | | | | | |
| **4.** | The hotel incorporates my feedback in improving their service and product quality. | | | | | |
| **5.** | The hotel staff always strive to improve their responsiveness to my requests. | | | | | |
| **6.** | The hotel reviews its menu offerings frequently in line with my tastes and preferences. | | | | | |
| **(III)** | **PRODUCT AND SERVICE DESIGN** | | | | | |
| **1.** | The hotel products and service features are uniquely designed to meet my needs. | | | | | |
| **2.** | The features of my hotel room has been properly and adequately designed to offer my basic needs. | | | | | |
| **3.** | The product and services provided by my hotel provide value that I yearn for. | | | | | |
| **4.** | The hotel provides me with a wide range of products and services. | | | | | |
| **5.** | The hotel products and services compares favorably with other hotels I have visited. | | | | | |

**SECTION C: PERFORMANCE OF STAR RATED HOTELS IN GREATER NAIROBI REGION.**

To what degree are the statements in the table below in regards to performance of Star Rated Hotels in Greater Nairobi Regionaccurate based on the hotel you have procured services from (Tick √ where appropriate: Strongly Disagree = 1; Disagree = 2; Neutral = 3; Agree = 4; Strongly Agree = 5).

| No. | STATEMENT | Strongly Disagree | Disagree | Not Sure | Agree | Strongly Agree |
|---|---|---|---|---|---|---|
| **(I)** | **CUSTOMER SATISFACTION** | | | | | |
| **1.** | I am very contented with the products and services offered by my hotel. | | | | | |
| **2.** | I like the hotel because it has provided me on-time solutions to my complaints and queries. | | | | | |
| **3.** | The hotel provides its services at the time it promises to do so. | | | | | |
| **5.** | When I a problem the hotel shows a sincere interest in solving it. | | | | | |
| **(II)** | **CUSTOMER LOYALTY** | | | | | |
| **1.** | I am highly likely to buy the products and services of the hotel next time. | | | | | |
| **2.** | I am confident to recommend the hotel to my friends, family or colleagues. | | | | | |
| **3.** | I am not willing to go to any other hotel due to the value and standards provided by my hotel. | | | | | |
| **4.** | I am willing to pay more for the products and services offered by the hotel. | | | | | |
| **5.** | I would like to repurchase many services in this hotel. | | | | | |
| **(III)** | **PRODUCT AND SERVICE QUALITY** | | | | | |
| **1.** | The product and service features of the hotel matches my tastes and preferences. | | | | | |
| **2.** | The Hotel staff are very helpful to customers, courteous and competent in their work. | | | | | |
| **3.** | The hotel ensures consistency in its product and service offerings. | | | | | |
| **4.** | The foodstuff is well cooked and served in a clean environment. | | | | | |
| **5.** | The hotel has well maintained and adequate facilities such as rest rooms, gym, swimming among others | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **6.** | I feel secure within the hotel premises. | | | | | |

**THANK YOU VERY MUCH FOR YOUR CO-OPERATION**

**AND PLEASE CHECK IF YOU HAVE ANSWERED ALL THE QUESTIONS**

## APPENDIX 4: LIST OF TARGETED HOTELS IN GREATER NAIROBI REGION

| NO. | ESTABLISHMENT | CAPACITY | | RATING |
|---|---|---|---|---|
| | | ROOMS | BEDS | |
| **1.** | Villa Rosa Kempinski | 200 | 216 | 5 Stars |
| **2.** | Hemingway's Nairobi | 45 | 50 | 5 Stars |
| **3.** | Sankara Nairobi | 156 | 167 | 5 Stars |
| **4.** | Fairmont The Norfolk | 170 | 200 | 5 Stars |
| **5.** | Tribe Hotel | 137 | 154 | 5 Stars |
| **6.** | The Sarova Stanley | 217 | 440 | 5 Stars |
| **7.** | Radisson Blu Hotel Nairobi | 271 | 354 | 5 Stars |
| **8.** | Dusit D2 | 101 | 122 | 5 Stars |
| **9.** | Intercontinental Nairobi | 326 | 372 | 5 Stars |
| **10.** | The Boma Nairobi | 148 | 178 | 5 Stars |
| **11.** | Crowne Plaza | 206 | 254 | 4 Stars |
| **12.** | Ole Sereni Hotel | 134 | 206 | 4 Stars |
| **13.** | House of Waine | 11 | 20 | 4 Stars |
| **14.** | Weston Hotel | 120 | 154 | 4 Stars |
| **15.** | Southern Sun Mayfair Nairobi | 171 | 212 | 4 Stars |
| **16.** | Fairview Hotel | 127 | 133 | 4 Stars |
| **17.** | Sarova Panafric Hotel | 162 | 324 | 4 Stars |
| **18.** | Silver Springs Hotel | 160 | 180 | 4 Stars |
| **19.** | Hilton Nairobi Limited | 287 | 334 | 4 Stars |
| **20.** | Nairobi Safari Club | 146 | 186 | 4 Stars |
| **21.** | Windsor Golf Hotel and Country Club | 130 | 205 | 4 Stars |
| **22.** | Carnivore Restaurant | 0 | 0 | 4 Stars |
| **23.** | The Clarion Hotel | 62 | 67 | 4 Stars |
| **24.** | Ngong Hills Hotel | 110 | 165 | 3 Stars |
| **25.** | The Heron Portico | 109 | 218 | 3 Stars |
| **26.** | Utalii Hotel | 57 | 114 | 3 Stars |
| **27.** | The Panari Hotel | 136 | 280 | 3 Stars |

| | | | | |
|---|---|---|---|---|
| **28.** | Marble Arch Hotel | 40 | 57 | 3 Stars |
| **29.** | Kenya Comfort Suits | 88 | 120 | 3 Stars |
| **30.** | Sportsview Hotel Kasarani | 94 | 188 | 3 Stars |
| **31.** | Boma Inn Nairobi | 59 | 83 | 3 Stars |
| **32.** | La Masion Royale | 71 | 144 | 3 Stars |
| **33.** | Central Park Hotel | 80 | 100 | 2 Stars |
| **34.** | Town Lodge | 84 | 124 | 2 Stars |
| **35.** | Zehneria Portico | 56 | 65 | 2 Stars |
| **36.** | Fahari Gardens Hotel | 30 | 53 | 2 Stars |
| **37.** | Eton Hotel | 58 | 116 | 2 Stars |
| **38.** | Jacaranda Hotel Nairobi | 128 | 256 | 2 Stars |
| **39.** | West Breeze Hotel | 26 | 34 | 2 Stars |
| **40.** | After 40 Hotel | 63 | 101 | 2 Stars |

**Source: Tourism Regulatory Board (2019).**

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