Service Quality, Customer Satisfactions and Restaurants’ Performance Appraisal in Hotel Industry

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ABSTRACT

This paper overviews the staff restaurants processes and their relationships with service Quality (SQ) and total quality management (TQM) of restaurants’ in the hotel industry. More importantly, this study apply a new model for the restaurants’ SQ measurement that incorporates restaurant's staff performance in the SQ level measurement. This new SQ for customer satisfaction model, in turn, can be integrated directly into the hospitality TQM operation since SQ is a basic component of TQM. This new model prevails over the traditional SQ models in several areas. First, the new model is more comprehensive. Also, the new model reflects the actual SQ situation better.

INTRODUCTION

In all measuring aspects, Jordan was the most popular tourist destination in the middle east in the Past 30 years [1] Worldwide visitors come to Jordan to view varied places of interest and to experience the fabulous international cuisine, world-class shopping centers, as well as the unique East-meet-West cultures. The booming tourism industry stimulates the growth of the retailing, lodging, restaurant, arts and entertainment sectors in Jordan. This is in accordance [2] argument which states that tourism expenditures positively contribute to the growth of local market businesses in retailing, restaurants, accommodation, transportation, and entertainment. Constantly, over 90 per cent of Jordanian hotels’ customers are overseas visitors [3]. As it derives its demand predominantly from tourism, the local hotel industry heavily relies on the tourism demand for its survival. Table 1, based on data from a statistical review of tourism published annually by the [4], shows the direct relationship between the growth of Jordanian hotel industry and tourism industry. In Table 1, In addition, the large number of rooms per hotel in Jordan exerts a significant pressure on managers to manage their hotels effectively. [5] These observations coupled with the increase in the average number of rooms per hotel property, requires the application of modern management techniques, especially the incorporation of total quality management (TQM) into the hospitality management paradigm.

“Expectation and perception of services one of the problems encountered with the old models is the validity of the different scores obtained from the dimensions of customer expectation and perception. In particular, the major problem of the Service Quality model is its sole focus on customers and management measurement. The contribution of staff’s performance to service Quality is virtually ignored. In view of this deficiency, the main objective of this study is to apply a new Service Quality model, named the Improved Service Quality Model (ISQM)” [6]. The ISQM proposed in this paper is to align staffs contribution and customer experience towards Service Quality. This, in turn, improves the incompleteness of the traditional models. Staffs contribution can be evaluated using performance appraisal (PA) because the process is a continuous appraisal process that shares the same procedural aspect of TQM in the restaurants at hotel industry which emphasizes continuous improvement. The major benefits of using a good method of performance appraisal are to motivate restaurants staff by providing recognition of their efforts and to help staff map, [7] out a career path and give guidance to needed training and development. According to a pilot study conducted to swot th
PA to benefit both the hotels and the staff. Hence, it is suggested that PA should be used to measure the staff contribution to Service Quality [7].

Table 1: No. of Hotel, Apartments & Others, Rooms, Beds & Number of Employees Distributed by Nationality & Classification 2013.

<table>
<thead>
<tr>
<th>Hotel</th>
<th>No. Of Hotel</th>
<th>SUJET</th>
<th>Room</th>
<th>Bed</th>
<th>Jordanian</th>
<th>Non-Jordanian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amman</td>
<td>14</td>
<td>416</td>
<td>550</td>
<td>620</td>
<td>4,204</td>
<td>889</td>
<td>151</td>
</tr>
<tr>
<td>Petra</td>
<td>19</td>
<td>197</td>
<td>2,209</td>
<td>803</td>
<td>8,031</td>
<td>1,689</td>
<td>112</td>
</tr>
<tr>
<td>Aqaba</td>
<td>5</td>
<td>18</td>
<td>1,567</td>
<td>2,771</td>
<td>1,235</td>
<td>24</td>
<td>351</td>
</tr>
<tr>
<td>Dead Sea</td>
<td>4</td>
<td>10</td>
<td>342</td>
<td>1,318</td>
<td>297</td>
<td>12</td>
<td>304</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>82</td>
<td>2,131</td>
<td>3,546</td>
<td>2,456</td>
<td>186</td>
<td>43</td>
</tr>
</tbody>
</table>

Definition of Service Quality:

The following literature defines SQ and PA and describes models, methods and awards related to quality. In the past decade, attempts were made to identify the areas of Service Quality. For instance, [7]; [8] proposed that the two main areas of service quality are process quality and output quality. Similarly, [9], suggested that two other areas of service quality are technical quality and functional quality. The definition of Service Quality was established when [12] conducted a focus group interviews with four service sectors. Then came up with the definition of service quality as being perceived by the customers which is defined as a gap between the customer’s expectation of a service and the customer’s perception of service received. The Parasuraman’s idea was then most widely recognized and used in Service Quality research.

The Service Quality Model:

The earliest framework of the service quality model was developed by [12]; [13]; [14], in which five gaps were identified, namely, understandability, service standards, service performance, communications, and service quality. The scale developed is the 31-item SERVQUAL [14]. In this approach, the concept of quality (Q) is the difference between the actual performance (P) and the expected performance (E), that is $Q = P - E$. [7] refined the Service Quality model developed by [14] and came up with a 26- item LODGSERV scale to measure customers’ expectation for Service Quality in their hotel experiences. The model considered that customer expectations should be different, depending on the three different price segments (economy, mid-priced and luxury) of hotels. Albrecht refined the TQM principles and developed the total quality service (TQS) model which is applicable to private service sectors [9]. In this model, customer perceptions and continuous improvement are the basic key factors. Techniques used in this approach are the service quality audit and culture audit. The other techniques used to measure the service process or service blueprinting and service mapping.

The Definition of Performance Appraisals:

A performance appraisal was defined as the observation and assessment of staff performance against predetermined job-related standards, for the purpose(s) delineated by the hotels.[4] concurred with this definition added that the purpose of a performance appraisal process is the improvement of restaurants performance. According to [4], performance appraisal could be divided into three categories: comparative, absolute and outcome oriented. Comparative methods require the appraiser to evaluate the staffs in a work unit relative against one another with methods including ranking, paired comparisons and forced distribution. With absolute methods, the appraiser evaluates the staffs without resorting a direct comparison with other staffs. Techniques used in absolute methods are essay approach, weighted checklist, critical incidents, and graphic rating scales and behaviorally anchored rating scales. The final outcome-oriented methods evaluate the staff based on the results they have achieved such as the standard of performance and management by objective approach.

The New Model:

As stated earlier, the major problem of the traditional SQ models is their incompleteness in assuring quality. In this paper, a new approach applied, namely the Improved Service Quality Model (ISQM) is introduced. When the ISQM is applied to the restaurants at hotel industry field, it can measure the customer satisfaction level
better. This generic model is applicable to all hotels, all operational and functional departments, and fundamentally to all hotel staffs. The conceptual idea behind an ISQM is to identify basic components of service quality to customer experience and staff performance. That is, ISQM = customer experience (CE) + staff restaurants performance (SP). The strength of the model is its capability to capture the information from both the demand side (the customers) and the supply side (the staff). Hence, the proposed equation is: \( EP = aX_1 + bX_2 + cX_3 + ... + nX_n + k \) where \( a, b, c, \ldots, n \) represent the contribution coefficients, \( X_1, X_2, X_3, \ldots, X_n \) represent individual restaurant staffs, and \( k \) being the random error). Performance appraisal is a process to evaluate staff’s performance. Therefore, PA and SP are highly related. In brief, the ISQM comprises components from the customer satisfaction level and staffs performance levels. The ISQM is virtually a revised SQ model. Since SQ is a fundamental component of the TQM process, the adoption of ISQM in the Jordanian hotels surely improves the completeness of quality improvement”[3]. Figure 1 summarizes the role of ISQM in the TQM process.

![Fig. 1: Relationship of ISQM and TQM: Adopted by [3].](image)

**Conclusion:**

Hoteliers will hence be facing not only the problems of low room occupancy rate, but also the demotivation of staff leading to poor service quality. The remedies proposed in this paper can improve SQ of individual hotels by incorporating a performance appraisal system into the SQ measurement. Should Jordanian hotels want to retain their competitiveness, the active involvement of the Jordan hotels association and the industry practitioners to strategic hospitality and tourism planning is of vital importance. However, insufficient guidelines leading to change are another major factor leading to such a low involvement. Hence, the proposed ISQM can give directions for hotels to implement TQM and eventually improve their restaurants service quality. The ISQM proposed in this paper is not an entirely new revolutionary approach. Instead, an ISQM is a refinement of the existing SQ model, allowing a better description of SQ in reality for Jordanian hotel industry.

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**REFERENCES**