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The Importance of Communication in Improving Service Delivery and Service Quality in the Malaysian Hotel Industry

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Abstract

Travel and Tourism industry is an important sector that contributes at least 9 per cent of the world's GDP, employs over 255 million people worldwide and represents 8 per cent of the global workforce (World Travel & Tourism, 2012). The industry makes a significant contribution to the economic development of many nations with some countries dependent on tourism as a catalyst for growth and development. This is the case in Malaysia where the tourism industry has been accommodating large numbers of tourists, arriving for business or holiday purposes as well as transitory passengers' en-route to other destinations. In 2013, the hospitality and tourism generated MYR 60.6 billion (USD 20 billion) towards the Malaysian economy it was categorized among the most promising industry. In 2013, Kuala Lumpur was ranked the seventh (7th) most visited destination in the world. Therefore, the importance of maintaining the service quality in the hotel sector becomes the main issue. In this, it was identified that the Internal Market Orientation framework was known to have the ability to improve service delivery and as a result improving service quality. In Internal Market Orientation, 3 distinctive antecedents namely a) internal market intelligence generation, b) internal communication, and c) response to Intelligence, were found to be useful in improving service delivery. However, this paper will only focus on internal communication as the scope of Internal Market Orientation is quite extensive.

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1. Introduction

Hospitality and tourism is an important industry that contributes at least 9 per cent of the world's GDP, employs over 255 million people worldwide and represents 8 % of the global workforce (World Travel & Tourism Council, 2012). The industry makes a significant contribution to the economic development of many countries, with some countries reliant on tourism as a catalyst for growth and development. This is the case in Malaysia where the tourism industry has been hosting large numbers of tourists arriving for business or vacation purposes as well as transient passengers' en-route to other destinations. In 2013, the hospitality and tourism sector contributed MYR 60.6 billion (US\$20 billion) towards Malaysia's Gross Domestic Product (GDP) and it was ranked among the most promising industry, in terms of overall economic contribution (Tourism Malaysia, 2013). In 2012, Kuala Lumpur was ranked as the seventh most visited destination in the world (Euromonitor, 2013). The growing number of tourist arrivals has led to an increase in the provision of hotel accommodation. In 1996, for example, there were 1,669 hotels available and by 2008 the number had increased to 2,475. This trend is set to continue. Indeed, it has been predicted that the number of tourist arrivals to Malaysia will increase from 24.7 million in 2011 to 29.9 million in 2015, with an increase of US\$8.5 billion in revenue (UNWTO, 2012). The forecast for the next 17 years (to 2030) shows that Malaysia is expected to host 70.7 million tourists with foreign receipts of USD 41.8 billion by 2030 (Yeoman, 2008). This is further supported by the UNWTO (2011) report and the Travel and Tourism Council (2011) publication which both forecast that Malaysia will experience healthy growth for the next 20 years. Intense competition has been a feature of the tourism industry for some time and this has led to the development of sophisticated marketing strategies. However, the hotel sector has traditionally been slow to adopt these innovations (Renaghan, 1995; Fyall & Spyriadis, 2003; Lahap, O'Mahony and Dalrymple, 2013a). O'Mahony, Sophonsiri and Turner (2013) notes, for example, that instead of improving service and developing distinctive products that satisfy the needs of their customers, hotels tend to concentrate on improving revenue through increased sales, generally by lowering prices.

2. Literature review

Superior service is a multi-dimensional construct, however, that includes corporate goals; organizational strategies; policies and procedures; work systems; job design and a variety of supporting elements. Not least among these is the human dimension, which recognizes that the hospitality sector relies on people rather than technology to deliver appropriate standards of service (Lahap, Said, Rose, Sumarjan, and Mohi, 2014; O'Mahony & Sillitoe, 2001; Teare, et al. 1994). As noted earlier, the Malaysian hotel industry has experienced significant growth in the last 10 years and many hotels in Malaysia are now opulent, new hotels achieving the highest standards of presentation. While these tangible dimensions are world class, according to Lau, et al. (2005), service delivery lags behind the physical environment and struggles to meet international standards and, ergo, the expectations of international guests. This is particularly evident within those hotels that are not members of international brand hotel chains because those hotels do not benefit from the quality frameworks, policies and procedures that have been developed to support branded properties.

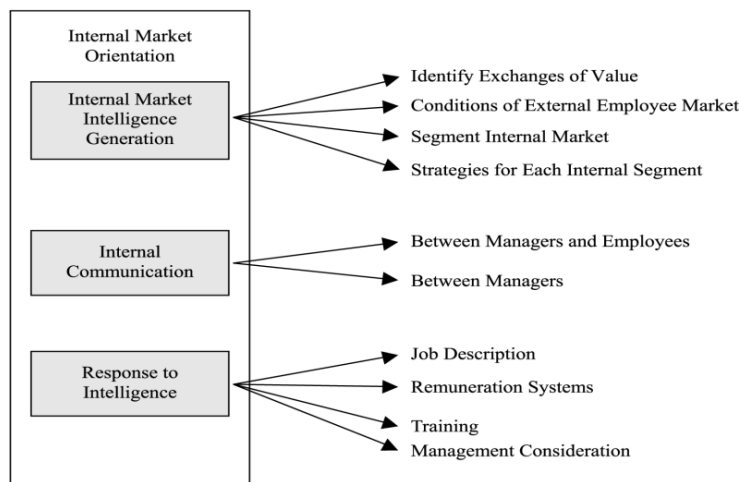
The search for the most effective service improvement method has been ongoing since Berry, et al (1976), Sasser, et al (1976), and Gronroos (1978) pioneered the movement for improving service quality almost 40 years ago. More recently, Lings (2004) introduced the Internal Market Orientation (IMO) framework in which he proposed a construct and a measure to complement the Internal Marketing framework developed by Berry and Parasuraman (1991). Lings, 2004 introduced the concept of IMO as a model to focus on balancing employees' and customers' needs and wants by developing constructs which he termed Internal Market Orientation. However, the model was further improved by Lings and Greenly (2005). More recently, Gounaris (2006) adopted the model and tested it to examine the level of job performance and job satisfaction among hotel employees in Greece. The results of his study were conclusive and Gounaris (2008b) asserted that the framework was highly applicable and effective in assessing employee job performance and satisfaction in hotels. Therefore, the Internal Market Orientation method is seen to have the capacity to inform this research. It was also found that many of the dimensions of the framework developed by Lings (2004) could underpin this study.

The Internal Market Orientation framework was inspired by Kohli and Jaworski (1990) and Narver and Slater (1990) and was based on the concept of Market Orientation (customer). Lings (2004) transformed the Market Orientation (measuring external customer's satisfaction) framework into a study that assessed the Internal Market

(measuring internal customers – employee's satisfaction). He found that the framework (IMO) is highly applicable to assessing and evaluating service deliverer performance and employee satisfaction (Lings & Greenly, 2005). Gounaris (2006) was one of the first researchers to adopt Lings' (2004) construct and he studied the impact of Internal Market Orientation on service firms. According to Lings and Greenly (2005), studies on Internal Market Orientation, human resource management practice, employee job description, horizontal/vertical communication, working environment, and working conditions all played a crucial role in improving services. To support his argument, Gounaris (2006) explained that pre-service delivery factors such as selecting and recruiting the most talented employees, employee training and development, compensation, performance appraisal, employee working conditions, communication, and employee working environment impact service deliverer job performance and also have an impact on job satisfaction. Internal Market Orientation (IMO) promotes the need to plan and build effective relationships between employees and management (Gounaris, 2008a; Lahap, Dalrymple and O'Mahony, 2013b). The fundamentals of this relationship lie in the organization's commitment to producing value for its internal market (employee) by understanding employee needs in the same way as employee commitment is required to produce value for customers (Lings and Greenly, 2005).

2.1. The dimensions of an Internal Marketing Orientation (IMO) framework

Lings (2004) described three pillars of Internal Marketing Orientation and they included: a) internal market intelligence collection, b) dissemination of intelligence, and c) responsiveness. The second pillar of Internal Market Orientation is *dissemination of intelligence* will be opined. This relates to communication between managers and employees, and communication between managers from different departments. Lings (2004) further explained that the primary objectives of dissemination of intelligence are to communicate the new marketing strategy, disseminate company strategic objectives to employees, and use internal media to communicate widely (e.g. newsletters or memos). The second objective was to build an understanding of employee's needs and wants. The Internal Market Orientation (IMO) construct is depicted in Figure 1.



Source: Adapted from Lings (2004)

Fig. 1. Internal Marketing Dimensions adapted from Lings (2004, p.409).

3. Methodology

In this section, the demographic profiles of the respondents will be presented and these consist of; i) department, ii) gender, iii) age range. This analysis is important because different demographic backgrounds produce different outcomes and this analysis was conducted as a means of gaining a better understanding of hotel employees'

background. In this paper, the researcher employed stratified sampling technique due to the concentration on front of the house employee. Moreover, it provides further evidence in relation to whether the researcher's predictions about the environment within international brand hotels are accurate. In this research the questions pertaining to internal communication was adopted from Gounaris (2008b). In this study, 4 and 5 star hotels were chosen as they have a systematic management structure. This study is conducted particularly in Klang Valley as this area has almost 11% of 4 and 5 star hotels and hosted almost 40% of total international tourist arrival in Malaysia (Tourism Malaysia, 2014). This research employed factor analysis to examine the acceptance and consistency of the questions and to answer the research question. Keiser Olkin and Meyer (KMO) analysis were used as a means to further validate the results from factor analysis results. Furthermore, the research is only conducted on the front of the house employee. A total of 400 questionnaires were distributed to four and five star hotels with 312 usable responses collected, which represents a 78% response rate.

4. Findings

4.1. Department and gender

By conducting cross tabulations between department and gender it was found that the front office department represents 50.3% of respondents and the food and beverage department represents 39.1% of the total respondents in the sample. In addition, there were respondents that represented departments directly related to the front office or the food and beverage department. This group of respondents constituted 10.6% of the total respondents. Overall, it was found that female respondents represented the highest percentage of respondents (60.9%) of the overall sample. This is not an unbalanced sample, however, as the hotel industry workforce, in this study in particular, is dominated by female employees. It can be concluded in this research that the sample selection obtained in the Klang Valley is dominated by female respondents. The distribution of respondents by department is presented in Table 1.

Table 1. Respondent distribution by departments.

Departments		Gender	
		Male	Female
Front Office	Count	77	80
	%	24.7%	25.6%
Food & Beverage	Count	37	85
	%	11.9%	27.2%
Others	Count	8	25
	%	2.6%	8.0%
Count		122	190
Total		39.1%	60.9%
			100.0%

4.2. Age range

In this analysis, it was found that hotel employees within the age range of 21 to 25 years old represented the highest number of respondents with 55.8% in total. When coupled with the 26-30 age group, the highest proportion of hotel employees that responded in this study were relatively young. Respondents from the age range of 41 to 45 years represented the smallest number in the overall sample with 1.6%. Table 2 shows the age and gender break down of the sample.

Table 2. Respondent distribution by age range.

Age Range	Gender		
		Male	Female
16-20	Count	9	0
	%	2.9%	.0%
21-25	Count	51	123
	%	16.3%	39.4%
26-30	Count	29	46
	%	9.3%	14.7%
31-35	Count	27	9
	%	8.7%	2.9%
36-40	Count	1	12
	%	.3%	3.8%
41-45	Count	5	0
	%	1.6%	.0%
Count		122	190
Total		39.1%	60.9%

4.3. Internal communication

The Kaiser-Meyer-Olkin value of 0.87 exceeded the recommended value of 0.6 (Hair, et al. 1998) and Bartlett's Test of Sphericity was statistically significant. This showed that there was a high degree of interrelationship among questions within the construct internal communication. The unrotated factor solution extracted two factors with Eigenvalues greater than one. According to Table 3, these two factors account for 67.5 % of the variance, with the first factor explaining 53.8 % of the variance.

Table 3. Result of the unrotated factor extraction from the 10 questions (variables) representing Internal Communication (IC).

Factor	Eigenvalues	Percentage of Variance	Cumulative Percentage
1	5.4	53.8	53.8
2	1.4	13.7	67.5

Source: Data analysis 2014; Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.87; Bartlett's Test of Sphericity = 2053.278, Significance = 0.00

The pattern loadings, factor structure and factor interpretation are shown in Table 4. The dimensions were defined by the variables with significant factor loadings of 0.6 and above. Reliability tests on each of the factors indicate a Cronbach Alpha coefficient above 0.89. This means that the 10 questions can be accepted (some of the initial scale items were not included in the final result because their loading values were below 0.6).

An inspection of the questions loading (LD) values found that the 10 questions respondents were asked on internal communication were significant and interrelated. The 10 questions were regrouped into two new factors. However, there were questions with a factor loading below the recommended value of 0.6 (Hair, et al. 1998) and those questions were eliminated. Questions removed from the new factors were: i) This company encourages our supervisor to meet and discuss issues concerning their subordinates (factor loading 0.56 – factor 1), ii) I understand the importance of my job in achieving company goals (factor loading 0.57 – factor 2), iii) The supervisors in this hotel meet regularly to discuss subordinates' problems and listen to what the other supervisors have to say (factor loading 0.55 – factor 2).

Table 4. Result of Varimax rotated factor matrix for Internal Communication (IC).

No	Factor One	LD
1.	Before any policies change, my supervisor informs me in advance	0.83
2.	My supervisor is sincerely listening about the problems I have in doing my job	0.91
3.	My supervisor is sincerely concerned about personal problems I have that may affect my performance	0.87
4.	My supervisor is never too busy to talk with me when I need him/her	0.87
5.	My supervisor spends time informing me about my tasks, to ensure I understand and agree with the objectives and aims we are trying to achieve	0.73
6.	This company encourages our supervisor to meet and discuss issues concerning their subordinates	0.56
Factor Two		
1.	I understand the importance of my job in achieving company goals	0.57
2.	The supervisors in this hotel meet regularly to discuss subordinates' problems and listen to what the other supervisors have to say	0.55
3.	If an employee in this hotel is facing serious problem, supervisors from other departments will immediately aware of it	0.70
4.	On many occasions, the solution to a problem I had come from a supervisor from a different department, not from my direct supervisor	0.81
Reliability Cronbach's Alpha = 0.89		

Source: Data analysis (2014); LD: Factor Loading

In factor one, respondents asserted that before any policies changed, their supervisor informed them in advance (0.83), and that their supervisor sincerely listened to the problems they encounter whilst doing their job (0.91), their supervisor was never too busy to talk with them when they needed him/her (0.87) and their supervisor spent time informing them about their tasks to ensure that they understood and agreed with the objectives and aims they were trying to achieve (0.73). As for factor two, respondents agreed that if they were facing serious problems in their work, supervisors from other departments were immediately aware of it (0.70) and, on many occasions, the solution to a problem they had come from a supervisor from a different department, not from their direct supervisor (0.81).

From the analysis, it can be concluded that the communication systems within their organizations were well-managed. However, based on the analysis, it was found that hotel operators did not encourage supervisors to meet service employees to discuss issues concerning their job (0.56). Employees seem not to understand what they were required to achieve in their work (0.57). Furthermore, these hotel employees submitted that supervisors in their hotel did not meet regularly to discuss subordinates' problems and listen to what the other supervisors had to say (0.55). Overall, the KMO and Bartlett's Sphericity Tests have shown internal communication, (*response to intelligence*) have the capacity to enhance service performance. The analysis revealed that assessing employee internal communication was connected to hotel employee performance.

5. Discussions

Regular discussion between managers and employee is essential to ensure organization success and this contention was supported by Gounaris (2009). However, in this research it was found that the issue pertaining to this recorded low factor loading (0.56) and this showed that the majority of hotels supervisors/managers in this sample did not discuss regularly with their subordinates. It was also revealed that in many circumstances, there were many employees do not know the goals of their company (Lings and Greenly, 2005; Lahap, O'Mahony and Dalrymple, 2013). Thus, in this study it was discovered that hotel employees do not know the purpose of them being employed by the company (hotel) other than profit. Hotel employees who have been selected in this study also submitted that their managers/supervisor did not meet regularly to discuss about employee matters pertaining to their job (0.55) and this is in line with Gounaris (2008b) contention that, in many instances hotel supervisors/managers seldom discuss their subordinates problems. In summary, it can be concluded that overall managers and supervisors in Malaysian hotels pay little attention to employees' problems.

6. Recommendations

Several recommendation were put forward in this paper. Firstly, in-depth understanding of effective internal communication is vital to organization long term survival. Secondly, effective communication between managers to employee and communication among peers is inevitable, this is important because the effective and efficient dissemination of information is able to assist day to day routine. Thirdly, top management should listen to employee

needs and wants, as the service provider is the tool to translate high quality service towards hotel guest. Finally, organization goals can be achieved successfully through well-organized communication.

7. Limitation and delimitation

In this study, some delimitations and limitations are in order. The research should be conducted on a larger sample that includes all states within Malaysia. This has to be done to create balance towards the front and back of the house. Despite of that, the research does not include one to three star hotels as the timeframe of the research is only six months. The sample selection for future studies should include respondents who work in the back of the house, such as chambermaids, cooks, maintenance staff and sales and marketing personnel who indirectly provide service to the customer. This is important because the front and back of the house task is entwined. Therefore, in the near future, it is suggested that back of the house employees should also be included. Monetary and time limitation were also an issue to this research as the study is conducted with limited monetary assistance.

8. Conclusion

An effective communication system is vital to any organization. In this study, it was found that Internal Communication (IC) within hotels was important (Lahap, et. al., 2014). Malaysia, as a tourism destination, has many strengths such as, hotel safety, an enviable Halal certification system and a genuinely hospitable culture. These strengths can now be further enhanced through proper internal communication approach towards international guests. Indeed, one of the benefits of improved internal communication is the ability to balance the supply and demand for hotel rooms by increasing the attractiveness of Malaysia as a tourist destination by having a proper communication system within the hotel organization. The study has ascertained how the benefits of internal communication can be best realized and, as such, it will extend our understanding of service improvement methodologies that is suitable to the Malaysian Hotel Industry, while at the same time provide a strong academic base for future studies.

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