THE INFLUENCE OF SERVICE QUALITY MANAGEMENT PRACTICES ON THE PERFORMANCE OF HOTEL FIRMS IN KENYA

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Abstract
         The principal objective of the study was to empirically assess the influence of service quality management practices (top management support, employee management, customer orientation, quality information, reward and recognition and product/service) on the performance of hotel firms in Kenya. The pertinent hypothesis was derived from the objective. The study population comprised 209 hotel firms registered with the Kenya Association of Hotelkeepers and Caterers (KAHC) which is the principal umbrella body that brings together duly registered hotels, lodges, restaurants, membership clubs and camps operating in Kenya. A descriptive cross-sectional survey was used. The relevant primary data were collected from Chief Executives and Senior Managers using semi-structured questionnaire. Data were analyzed using descriptive statistics, inferential statistics and regression analysis.
The results of the study revealed that service quality management practices significantly influences performance. The coefficient of determination (R^2) showed that service quality management practices explained 14.8% of the variation in overall firm performance. Holding other factors constant, a unit increase in service quality practices would cause a 0.359 increase in firm performance. A t-value of 3.857 was established at p=0.000 depicting that the relationship was statistically significant at 95% confidence level (p-value < .05).
The study has made contributions to theory, policy and practice in relation to marketing in general and specifically in service quality management practices and firm performance in the hotel industry. Future research should include additional factors, use a longitudinal research design and test the model in different sectors of the economy.

Keywords: Service quality management, companies, Kenya

Introduction

Quality management (QM) is a business practice that is widely used by many organizations to improve firm performance. The widespread interest in using quality management to improve organizational performance started in the manufacturing sector and later spread to service organizations (Anders et.al. 2003). Implementing QM effectively as several empirical studies have indicated can positively influence firm performance (Flynn *et al*., 1995; Kaynak, 2003; Powell, 1995; Samson and Terziovski, 1999). The focus of firms that implement QM is on provision of superior customer value, improvement of the efficiency of the processes, increase in productivity, quality improvement, reduction in costs, increase in sales and market share, customer retention and an improved firm image (Singels *et al*., 2001; Kaynak, 2003; York and Miree, 2004). Increased revenues and reduced costs are possible with continuous provision of superior value to customers, improvement of processes and provision of quality product (Jose et al., 2009). Satisfaction of customers leads to increased revenues because it enables the firm to gain a market competitive advantage (Kaynak 2003; York and Miree, 2004).

Quality management can be viewed as a management approach made of its principles, practices and techniques (Dean and Bowen, 1994). The principles are a set of fundamental assumptions that explain how the firm is viewed together with its relations to customers, competitors and suppliers. The practices are seen as the activities performed to show and symbolize the principles, such as collecting customer information, improving work processes and managing employees. The techniques are viewed as the procedures and infrastructure for conducting certain practices (Dean and Bowen, 1994).

Quality management literature (Anders et.al.2003; Hendricks and Singhal, 2001) indicate that the perceived benefits of quality management are influenced by individual quality practices such as employee management, process orientation and customer orientation, and different firm characteristics, such as firm size and the degree of capital intensity. Hendricks and Singhal (2001) provide empirical evidence that small firms benefit more from quality management than their larger counterparts, in terms of achieving more improvement in operating income and sales.

Quality management literature embraces three conceptualization alternatives of service quality which include the interaction theory, the customer satisfaction theory and the attribute theory (Chase and Bowen, 1991). The interaction theory defines service quality as a shared experience of gain by all participants (Klaus, 1985). According to the interaction theory,

service quality is as a result of the experience and need satisfaction of the participants who are the customer and the contact employee. A customer satisfaction theory views service quality as the difference between the expected service quality and the actual perceived quality. The attribute theory assumes that the attributes of the service delivery system determines the service quality and that management has considerable control over the input defining these attributes.

Intensified competition due to globalization and the rapid growth of the tourism market makes the sustainability of hotel businesses possible with the adoption of a service quality management approach. The tourism sector plays an important role in the development of the Kenyan economy. For instance in 2013, the Kenyan tourism sector contributed approximately twelve per cent towards the country's GDP and eleven per cent towards total employment (World Travel and Tourism Council, 2014). The continued growth of the tourism sector and the foreign exchange earnings it generates has made the tourism sector to be one of the major sectors in the world economy (Singh, 1997). The tourism sector's multiplier effect on other sectors of the country has lead to development and growth of businesses such as the hotels. Unlike other products and services, the tourism product is consumed at the point of production (Dieke, 2001) making the implementation of service quality management approach very significant for the provision of superior customer service and the most critical in today's hotels competition worldwide.

Hotel services are considered as one of the most important and high customer contact services in the tourism industry (Shahin & Samea, 2010). Service quality management and improvement are the most critical factors in today's hotels' business. Hotels are intermediaries who bear the responsibility of satisfying customers by providing quality tourism service in terms of accommodations and leisure to the tourists. It is therefore crucial to develop an understanding of the success of hotel business in the Kenyan context. Besides the numerous studies on the quality management and performance linkages, there is scarcity of empirical and conceptual studies on Kenyan firms. Specifically, there are inadequate service quality management practices and performance studies on hotels operating in Kenya.

Literature Review

Quality management is a management philosophy based on the scholarly work of quality gurus. Substantial literature (such as Dale, 2003) shows that the philosophy has evolved over time, from Quality Inspection, Quality Control and Quality Assurance to Total Quality Management (TQM). The philosophy has been viewed differently by various quality scholars. For example, Dean and Bowen (1994) view quality management as

a management philosophy that is made of its principles, practices and techniques. Dale (2003) viewed quality management as a firm's management philosophy, anchored on quality, involving the engagement of all its members and targeting at long-term success through the satisfaction of customers, and benefits to all members of a firm and to society.

Hellsten and Klefsjö (2000) define quality management as a management system in continuous change, based on values, methodologies and tools while Shiba et al. (1993) looked at quality management as an evolving system of practices, tools and training methods which managing organizations employ to provide customer satisfaction in a rapidly changing world. Quality management can also be defined as a holistic management philosophy that focuses on the maintenance and continuous improvement of all the functions within an organization, with the goal of meeting or exceeding customer requirements (Flynn *et al*., 1994; Kaynak, 2003). In his research of the effects of service quality management practices, Jin (2005) defined Service Quality Management (SQM) as a holistic management philosophy that focuses on continuous improvement in all functions of a service organization, and it can be achieved only if the service quality concept is utilized from the delivery of service to the after service. In service organizations, SQM is the focus of service performance. Jin (2005) argues further that for the organization engaged in SQM to both understand to what extent it has succeeded in satisfying customer requirements and thus to initiate the relevant improvement activities, it is essential to maintain very close link with customer satisfaction, in order both to identify customer's need and to receive the feedback necessary to the company.

SQM practices have been documented extensively in measurement studies as well as in the studies that have investigated the relation of SQM practices to various dependent variables (Jin, 2005). Service quality management is most commonly seen as a set of management practices (such as leadership, people management, customer focus, supplier management, planning and process management) tailored to improvement of firm performance. Sousa and Voss, 2002 asserts that QM practices are the observable features of QM philosophy through which the implementation of QM is accomplished and managers work to achieve quality improvements. Hence, empirical research that assesses QM and what constitutes QM should be conducted at the level of practices. Quality management literature has shown what the key QM practices are and there is substantial agreement among the quality gurus on the traditional QM practices that have been commonly examined in prior empirical QM studies (Sousa and Voss, 2002). These practices are top management support, employee management, customer focus, supplier focus, process management, product/service design, and quality information (Juan, 2007). Similarly, research on QM literature

(such as Flynn *et al*., 1994; Kaynak, 2003; Saraph *et al*., 1989) indicates that the implementation of QM system requires certain common practices (such as leadership, training, and permanent self-assessment and improvement).

Quality management literature has proposed several QM practices that may be used to measure QM levels in firms (Capon *et al*., 1995). Such quality management practices have been documented and empirically analyzed in measurement studies, as well as in studies that investigated the linkage between QM and performance. SQM practices most commonly cited in the literature are: people management, information and analysis, customer focus, leadership, process management, supplier management, planning, and product design (Jose et al., 2009). This study assumed that top management support, employee management, customer orientation, quality information, reward and recognition and product/service design as SQMP are critical to hotel performance.

Conceptual Framework and Hypotheses

The relationships between the independent variable comprising top management commitment, customer orientation, employee management quality information, reward and recognition, product/ service design and the dependent variable consisting of various firm performance measures are depicted in Figure 1.

Figure 1: Conceptual model
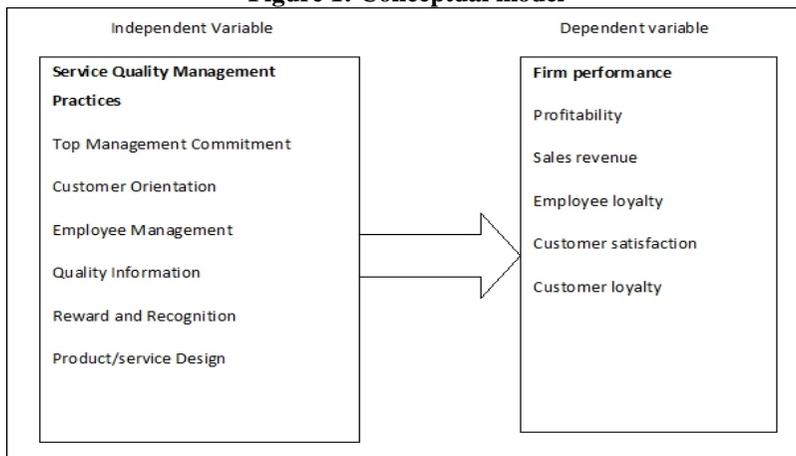
From the conceptual model depicted in Figure 1, firm performance is directly influenced by Top Management Commitment, Customer Orientation, Employee Management, Quality Information, Reward and Recognition and Product/service Design.

The hypothesis was derived from the literature and can be stated as follows:

H1: There is a statistically significant relationship between service quality management practices and performance of hotel firms in Kenya

Methodology

The study adopted a descriptive cross-sectional survey design. The study was descriptive as it focused on finding out what, when and how much of phenomena (Cooper and Schindler, 2003). In this type of design, Olsen and George (2004) pointed out that either the entire population or a subset is selected and from these individuals, data is collected to assist answer research questions of interest. They termed it cross-sectional because the information collected about the subjects represents what is going on at one point in time. It was also appropriate because the researcher intended to gather descriptive data which was subjected to statistical computations that was used for hypothesis testing in order to produce objective conclusions (Cooper and Schindler, 2003).

The population of the study comprised both locally and foreign owned hotels operating in Kenya and were duly registered members of Kenya Association of Hotels and Caterers (KAHC). According to the KAHC, 2014 there were 209 members mostly star-rated hotels, restaurants, caterers, lodges and tented camps widely spread throughout the country. However, 50% of these hotels and restaurants are located in Coast and Nairobi regions.

The target population comprised all KAHC member hotels, restaurants, caterers, lodges and tented camps in both Nairobi and Coast regions. These classes of hotels were presumed to be offering superior customer value and therefore making the implementation of SQM approach a necessity. Both were reflective members of the hotel industry and had the capacity to better implement SQM approach.

Primary data was collected using a semi-structured questionnaire through a five-point Likert type scale. Target respondents were the managing directors, owners, the marketing/sales directors/managers or their equivalent in the targeted firm. These were the key informants in each hotel firm as they were deemed to have the experience and specific knowledge on strategic marketing responsibilities. Secondary data was also obtained from the hotel's reports, KAHC reports, Hotels and Restaurant Authority (HRA) reports and any other published reports that related to the hotels. Descriptive and inferential statistics were both used in analyzing the data. Descriptive statistics covered the profiles of the respondent firms. Thereafter regression analyses were conducted in order to assess the influence of Top Management Commitment, Customer Orientation, Employee Management, Quality

Information, Reward and Recognition and Product/service Design on hotel firms' performance.

Validity and Reliability Tests

The reliability of the measurements was evaluated by Cronbach alpha coefficient (Sekaran, 2005). Different scholars have used different Cronbach Alpha coefficients cut-off points (Nunnally 1978; Hair et al., 1998). The reliability results exceeded the 0.6 level of acceptability and were therefore considered reliable for further analysis (Hair et al., 1998). Hair, Money, Samouel and Page (2007) postulate that alpha coefficient below 0.6 represent poor strength of association among data instrument. The study used Cronbach alpha coefficient of 0.6 and above.

Cronbach Alpha coefficient was computed. The pertinent results are summarized in Table 1

Table 1: Cronbach Alpha Reliability Coefficient

Variable	Measures	No. of Items	N	Cronbach Alpha Coefficient
Service Quality Management Practices	- Top management support - Customer orientation - Workforce management - Quality information - Reward and recognition - Product/service design	32	88	.931
Firm Performance	- Customer loyalty - Customer satisfaction - Employee loyalty	10	88	.643

Source: Primary Data

Assessment of Service Quality Management Practices

The study sought to establish the effect of service quality practices (SQMP) on hotels performance in Kenya. The respondents were asked the extent to which they agreed with the attributes associated with each of the service quality practices indicators and to rank their level of agreement or disagreement along a number of constructs. The study used a 5-point Likert type scale ranging from "Not at all" to "To a very large extent", in ascending order.

Service quality practices involved the average of all the attributes associated with each of the indicators. In addition, the standard deviation (SD) and coefficient of variation (CV) were computed.

Top management commitment

The respondents had been asked to indicate the extent to which they agreed on specific top management commitment statements. To measure top

management commitment a set of six items was used. The pertinent results are presented in Table 2.

Table 2: Respondents Scores on Top management commitment

	N	Mean	Std. Deviation	CV (%)
Our hotel's top management (i.e. top executives and major department heads) are committed to quality performance	88	4.30	.730	17.0
Our hotel's top management provides personal leadership for quality services and quality improvement	88	4.47	.586	13.1
Our hotel's top management is evaluated for quality performance	88	4.20	.775	18.5
Major department heads within our hotel participate in the quality improvement process	88	4.35	.759	17.4
Quality issues are reviewed in our hotel's management meetings.	88	4.44	.725	16.3
Our hotel's top management has objectives for quality performance	88	4.34	.676	15.6
Average Score	**88**	**4.35**	**0.52**	**11.9**

Source: Primary Data

The results in Table 2 reveal that mean score for the six statements used to measure top management commitment was between 4.20 and 4.47 (to a large extent). Hotel's top management providing personal leadership for quality services and quality improvement performance had highest mean score (mean score=4.47, CV=13.1%); whereas hotel's top management being evaluated for quality performance had the lowest score (mean score=4.20, CV=18.5%). This shows that the top management in hotel firms puts the highest emphasis on quality services provision and quality improvement.

Customer orientation

The respondents had been asked to indicate the extent to which their firms focused on specific customer orientation statements. To measure customer orientation, a set of five items was used. The pertinent results are presented in Table 3.

Table 3: Respondents Scores on Customer orientation

	N	Mean	Std. Deviation	CV (%)
We frequently are in close contact with our customers	88	4.10	.695	17.0
Our customers give us feedback on quality and delivery performance	88	4.47	.642	14.4
Our hotel measures our external customers' satisfaction (customers outside the hotel)	88	4.18	.670	16.0
We use customer requirements as the basis for quality	88	4.25	.682	16.0
Our employees know who our customers are	88	4.26	.703	16.5
Managers and supervisors support activities improving customer satisfaction	88	4.36	.698	16.0
Average Score	**88**	**4.27**	**0.45**	**10.6**

Source: Primary Data

The results in Table 3 show the mean scores ranging from 4.10 to 4.47 (to a large extent). Customers giving feedback on quality and delivery performance had highest mean score (mean score=4.47, CV=14.4%). The lowest score was noted on the frequency of close contact with the customers (mean score=4.10, CV=17.0%). This implies that hotels are very keen on the customers feedback based on the quality performance so as to understand them sufficiently and thus enhance their satisfaction and eventually the hotels' performance.

Employee management

The respondents had been asked to indicate the extent to which they agreed on specific employee management statements. A set of seven items was used. The pertinent results are presented in Table 4.

Table 4: Respondents Scores on Employee management

	N	Mean	Std. Deviation	CV (%)
Management are trained in quality principles	88	4.09	.600	14.7
Employees are trained in quality principles	88	4.37	.683	15.6
Employees are trained in problem-solving skills	88	4.30	.681	15.8
Employees are trained in teamwork	88	4.30	.745	17.3
Employees get feedback on their quality performance	88	4.31	.650	15.1
Employees are involved in quality decisions	88	4.25	.762	17.9
There is bottom-up, top-down and horizontal communication among all the staff	88	4.26	.557	13.1
Average Score	**88**	**4.27**	**0.45**	**10.6**

Source: Primary Data

The results in Table 4 reveal that mean score for the seven statements was between 4.09 and 4.37 (to a large extent), employees being trained in quality principles had the highest mean score (mean score=4.37, CV=15.6%), the lowest mean score been management training in quality principles (mean score=4.09, CV=14.7%). This implies that employees are extensively trained to provide the best quality services to their customers.

Quality information

The respondents had been asked to indicate the extent to which their firms focused on specific quality information statements. A set of six items was used. The pertinent results are presented in Table 5.

Table 5: Respondents Scores on Quality information

	N	Mean	Std. Deviation	CV (%)
Quality data are available in our hotel	88	4.01	.652	16.3
Quality data are available to managers, and supervisors	88	4.23	.690	16.3
Quality data are available to our subordinate workers	88	4.03	.686	17.0
Quality data are timely	88	4.02	.711	17.7
Quality data are used as tools to manage quality	88	4.22	.651	15.4
Quality data are used to evaluate supervisory and managerial performance.	88	4.20	.628	15.0
Average Score	**88**	**4.12**	**0.46**	**11.3**

Source: Primary Data

The results in Table 5 reveal that mean score for the seven statements was between 4.23 and 4.01 (to a large extent). The availability of quality data to managers and supervisors had the highest mean score (mean score=4.23, CV=.16.3%) whereas availability of quality data in the hotel had the lowest mean score (mean score=4.01, CV=16.3%). This shows that hotels values quality data which is made available and up to date in order to continuously improve and manage quality service delivery to their customers.

Reward and recognition

The respondents had been asked to indicate the extent to which their firms focused on specific reward and recognition statements. Three statements were evaluated. The pertinent results are presented in Table 6.

Table 6: Respondents Scores on Reward and Recognition

	N	Mean	Std. Deviation	CV (%)
Employee contribution is recognized and rewarded accordingly	88	4.03	.669	16.6
Systems and procedures of appreciating employee contributions are well defined	88	4.17	.805	19.3
There is a policy on rewards and recognition made known to all employees	88	4.19	.786	18.8
Average Score	**88**	**4.13**	**.640**	**15.5**

Source: Primary Data

The results in Table 6 reveal that the mean score for the three statements were 4.19, 4.17 and 4.03 respectively in descending order (to a large extent). Presence of a policy on rewards and recognition awareness to all employees had the highest mean score (mean score=4.19, CV=18.8%); whereas employee contribution recognition and award had the lowest mean score (mean score=4.03, CV=16.6%). This shows that employees are well aware of the rewards and recognition policies and the systems and

procedures of appreciating their contributions of which they are recognized and rewarded accordingly.

Product/service design

The respondents had been asked to indicate the extent to which their firms focused on specific product/service design statements. Four statements were evaluated. The pertinent results are presented in Table 7.

Table 7: Respondents Scores on Product/service design

	N	Mean	Std. Deviation	CV (%)
Our hotel conducts a thorough review of new product/service design before the product/service is produced	88	3.95	.623	15.8
Multiple departments (such as marketing, finance, and purchasing) coordinate in the product/service development process.	88	4.32	.704	16.3
Employees are involved in the product/service development process	88	4.03	.615	15.3
Customer requirements are emphasized and considered in the design process	88	4.41	.600	13.6
Average Score	**88**	**4.18**	**0.45**	**10.7**

Source: Primary Data

The results in Table 7 reveal that mean score for the four statements was between 3.95 and 4.41 (to a large extent). Customer requirements being emphasized and considered in the product design process had the highest mean score (mean score=4.41, CV=13.6%) whereas hotel conducting a thorough review of new product/service design before the product/service is produced had the lowest mean score (mean score=3.95, CV=15.8%). This shows that lots of emphasis and consideration in product/service design is based on customer requirements and involvement of departments. Employees are key in the development process and a lesser emphasis on new product/service review before production.

Given the uni-dimensionality of the six components of service quality practices the simple averages of each of the components was computed. Table 8 presents the summary.

Table 8: Summary Scores of service quality practices

	N	Mean	Std. Deviation	CV (%)
Top management commitment	88	4.350	.519	11.9
Customer orientation	88	4.271	.454	10.6
Employee management	88	4.268	.452	10.6
Quality information	88	4.119	.464	11.3
Rewards and recognition	88	4.133	.642	15.5
Product/service design	88	4.179	.448	10.7
Average Score	**88**	**4.22**	**0.39**	**9.3**

Source: Primary Data

The results in Table 8 reveal that average mean score for the six statements used to measure service quality practices was between 4.1193 and 4.3504 (To a large extent). Top management support had the highest mean score (mean score=4.35, CV=11.9%) and quality information had the lowest (mean score=4.12, CV=11.3%). This shows that the hotel firms focuses on continuous improvement of all the functions of service performance, implying that the practices of the management of the hotel firms surveyed are service quality oriented.

Firm performance

To measure financial performance measures, the respondents were asked to give the range of their firm's approximate annual gross profit and approximate annual sales turnover in 2010, 2011 and 2012. To measure non-financial performance measures, the respondents were asked the extent to which they agreed with the attributes associated with each of the non-financial performance indicators (customer loyalty, employee loyalty, customer satisfaction) and to rank their level of agreement or disagreement along a number of constructs. The study used a five point rating scale ranging from "Not at all" to "To a very great extent" in ascending order. In this study the dependant variable was the financial performance measures of firm performance.

Profitability

The study established the approximate annual gross profit of the hotels in 2010, 2011 and 2012. The data finding is presented in Table 9.

Table 9: Approximate Annual Gross Profit in 2010, 2011 and 2012

	2010		2011		2012		Average	
Profitabili ty	Frequen cy	(%)	Frequen cy	(%)	Frequen cy	(%)	Frequen cy	(%)
Less than 250 million	56	69.1	58	69.9	59	70.2	58	69.8
250-500 million	12	14.8	12	14.5	12	14.3	12	14.5
501-1billion	11	13.6	11	13.3	10	11.9	11	12.9
More than 1 billion	2	2.5	2	2.4	3	3.6	2	2.8
Total	81	100. 0	83	100. 0	84	100. 0	83	100. 0

Source: Primary Data

The results in Table 9 indicate that on average for the three years (2010 to 2012), 69.8% of the hotels make a profit of less than 250 million;

14.5% make a profit of between 250 and 500 million; 12.9% make a profit of between 500 million and 1 billion; and only 2.8% make more than 1 billion in profits.

Sales revenue

The study established the approximate annual sales turnover of the hotels in 2010, 2011 and 2012. The data finding is presented in Table 10.

Table 10: Approximate annual sales turnover in 2010, 2011 and 2012

Sales revenue	2010		2011		2012		Average	
	Frequency	(%)	Frequency	(%)	Frequency	(%)	Frequency	(%)
Less than 1 billion	65	79.3	65	78.3	64	77.1	65	78.2
1 to 5 billion	15	18.3	16	19.3	17	20.5	16	19.4
6 to 10billion	2	2.4	2	2.4	2	2.4	2	2.4
Total	82	100.0	83	100.0	83	100.0	83	100.0

Source: Primary Data

The results in Table 10 indicate that on average for the three years(2010 to 2012), 78.2% of the hotels have approximate annual sales of less than 1 billion; 19.4%, 1 to 5 billion and 2.4% 6 to 10 billion.

Customer loyalty

The respondents had been asked to indicate the extent to which they agreed on specific customer loyalty statements. Three statements were used. The pertinent results are presented in Table 11.

Table 11: Respondents Scores on Customer loyalty

	N	Mean	Std. Deviation	CV (%)
Our customers always come back for more purchase	88	4.15	.537	12.9
Our customers do not switch to other brands/our competitors	88	3.98	.909	22.8
Our customers do not leave us even when there are prices changes in the market	88	3.92	.731	18.6
Average Score	**88**	**4.02**	**.46**	**11.5**

Source: Primary Data

The results in Table 11 reveal that mean score for the three statements used to evaluate customer loyalty was 4.15, 3.98 and 3.92 respectively. Customers coming back for more purchase always had the highest mean score (mean score=4.15 CV=12.9%) whereas customers not leaving even when prices change in the market had the lowest mean score

(mean score=3.92, CV=18.6%). This implies that most customers to these hotels are loyal.

Customer satisfaction

The respondents had been asked to indicate the extent to which they agreed on specific customer satisfaction statements. Four statements were used. The pertinent results are presented in Table 12.

Table 12: Respondents Scores on Customer satisfaction

	N	Mean	Std. Deviation	CV (%)
We deliver services that meet customer requirements, needs and expectations	88	4.07	.621	15.3
Our customers commend us for exemplary service delivery	88	4.40	.704	16.0
Our customers' rate of trial of competitors' services is very low	88	3.92	.731	18.6
Our customers are always proud of our services	88	4.34	.523	12.1
Average Score	**88**	**4.18**	**.40**	**9.5**

Source: Primary Data

The results in Table 12 reveal that mean score for the four statements used to evaluate customer satisfaction was between 4.40 and 3.92. Customers commending hotels for exemplary service delivery had the highest mean score (mean score=4.40 CV=16.0%) whereas customers' rate of trial of competitors' services is very low had the lowest mean score (mean score=3.92, CV=18.6%). This implies that most customers to these hotels are satisfied with the level of service.

Employee loyalty

The respondents had been asked to indicate the extent to which they agreed on specific employee loyalty statements. Three statements were used. The pertinent results are presented in Table 13.

Table 13: Respondents Scores on Employee loyalty

	N	Mean	Std. Deviation	CV (%)
Our employees do not leave us for competition	88	3.59	.866	24.1
Senior management gives employees' welfare top priority	88	4.32	.704	16.3
Rate of employee turn-over is very low in our organization	88	3.75	.950	25.3
Average Score	**88**	**3.89**	**.59**	**15.2**

Source: Primary Data

The results in Table 13 reveal that mean score for the three statements used to evaluate employee loyalty was 4.32, 3.75 and 3.59 respectively, senior management gives employees' welfare top priority had the highest mean score (mean score=4.32 CV=16.3%); whereas employees

not leaving for competition had the lowest mean score (mean score=3.59, CV=24.1%). This implies that most employees to these hotels are loyal.

Summary of Descriptive Statistics

The results of the descriptive statistics are summarized in Table 14.

Table 14: Summary of Descriptive Statistics

Thematic Area	Item Description	N	Mean Score	SD	CV (%)
Non-financial performance	Customer loyalty	88	4.02	.463	11.5
	Customer satisfaction	88	4.18	.399	9.5
	Employee loyalty	88	3.89	.593	15.2
Average score			4.03	.368	9.1

Source: Primary Data

Regression Analysis and Hypotheses Testing

This study was based on the premise that there is a relationship between service quality management practices and firm performance. To establish the statistical significance of the hypothesis, multiple regression analysis was conducted.

Service Quality Management Practices and firm performance

The objective of the study was to assess the influence of service quality management practices on hotel performance in Kenya. Service quality management practices comprised the top management support, customer orientation, workforce management, quality information, reward and recognition and product/service design. Respondents had been asked to indicate the extent to which their firms focused on the service quality management practices dimensions. Firm performance measures were composed of profitability, sales revenue, market share, customer loyalty and satisfaction and employee loyalty. To assess the service quality management practices and firm performance, the following hypothesis was tested using a multi-variate regression analysis as below.

H1: There is a statistically significant relationship between service quality management practices and performance of hotel firms in Kenya

Firm Performance (FP) is a function of service quality management practices (SQMP) i.e. FP= f (SQMP).

A simple linear regression model was used to determine the relative effects of service quality management practices on firm performance.

Table 15 (a): Model Goodness of Fit

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.384[a]	.148	.138	.34191

a. Predictors: (Constant), Service Quality Management Practices

Source: Primary Data

The study was to establish whether firm performance has a linear dependence on Service Quality Management Practices. The coefficient of determination (R^2) shows that service quality management practices explained 14.8% of the variation in overall firm performance.

Table 15 (b): Analysis of Variance (ANOVA)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.740	1	1.740	14.880	.000[b]
	Residual	10.054	86	.117		
	Total	11.793	87			

a. Dependent Variable: Financial Performance
b. Predictors: (Constant), Service Quality Management Practices
Source: Primary Data

Analysis of Variance was used to test the significance of the regression model as pertains to significance in the differences in mean scores of the dependent and independent variables. The ANOVA test produced an f-value of 14.880 which was significant at p=0.000. This depicts that the regression model is significant at 95% confidence level (p-value < .05).

Table 15 (c): Regression Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.515	.394		6.383	.000
	Service Quality Management Practices	.359	.093	.384	3.857	.000

a. Dependent Variable: Financial Performance
Source: Primary Data

From the Table, the established regression equation was:
Y= 2.515 + 0.359SQMP
From the above regression model, when service quality management practices have null value; firm performance would be 2.515.

Holding other factors constant, a unit increase in service quality management practices would cause a 0.359 increase in firm performance. A t-value of 3.857 was established at p=0.000 depicting that the relationship is statistically significant at 95% confidence level (p-value < .05).

Discussion
The results of the current study revealed a positive and significant overall linear relationship between service quality management practices and firm performance. This suggests that service quality management influences firm performance. Service quality management practices were measured in

terms of top management commitment, employee management, customer orientation, quality information, reward and recognition and finally product/service design.

Among these indicators top management commitment and customer orientation had positive significant relationship to hotel performance. This is consistent with previous studies such as Flynn et al., (1995) and Abdullah et al., (2005) which support positive relationship between service quality management practices and firm performance. However, the overall result is consistent with previous similar studies which support the implementation of quality management approaches to positively contribute to firm performance.

The study demonstrates that service quality management approach influences the performance of hotels in Kenya.

Conclusion

The study examined the relationship between service quality management practices measured by top management support, customer orientation, workforce management, quality information, reward and recognition and product/service design and firm performance (profitability, sales revenue, market share, employee loyalty, customer satisfaction and customer loyalty) of hotel firms in Kenya. The positive relationship revealed in the study suggested that the hotel firms in Kenya are service quality oriented. As a result, hotel firms always strive to implement a service quality management approach which is very significant for the provision of superior customer service and satisfaction of customer requirements.

In today's highly competitive environment, consumers are very knowledgeable and demanding as they seek better quality of products/services at lower prices (Slater, 1997). This has resulted in more emphasis on efficiency in marketing (Bush, Smart and Nichols, 2000). For the hotel firms to succeed in the competitive environment, their marketing activities must focus on delivering greater value to customers. This compels firms to be customer-focused, competitor-oriented and cost-efficient. The results demonstrate that service quality approach is an important strategy for service firms that strive to achieve a competitive edge in the market environment.

Implications of the Study

The findings from this research contain several insights that have implications for marketing theory, policy issues and managerial practice.

Implications for theory

The findings provide support for the hypothesized direct-relationship that service quality management practices influences performance of firms

consistent with the general quality of management literature view (Powell, 1995; Anders et al., 2003; Abdullah et al., 2005; Jin, 2005; Flynn et al., 1995).

Service quality management practices (top management support, employee management, customer orientation, quality information, reward and recognition and product/service design), which involves, continuous improvement in all functions of a service organization from the delivery of service to the after service are critical to the overall marketing productivity of hotels in Kenya. This boosts the understanding of the needs of the customers, enabling hotels to develop and communicate products and services that satisfy those needs.

The empirical evidence presented in this study revealed that there is a relationship between a firm's performance and service quality management practices, marketing productivity, firm characteristics and industry competition. These findings could contribute to a renewed research interest for service quality management practices and its contribution to superior firm performance and further development at the theoretical and conceptual level. The study findings contribute to the existing service quality management and performance body of knowledge both theoretically and empirically testing the hypotheses in the Kenyan context.

Policy Implications

Under the economic pillar in the Vision 2030, tourism has been identified as a one of the priority sectors and therefore there is need for government interventions as the country endeavors to a globally competitive and successful country. The economic significance of the tourism industry in the development of Kenya especially in achieving the vision 2030 agenda and the service quality management approach of the hotel firms being a key delivery partner of the tourism product is of major concern to policy-makers whose major goal is to arouse the growth of the tourism sector in the country.

From the current study, it is evident that the service quality management practices have a direct and positive effect on performance of hotel firms surveyed in Kenya. The policy-makers in the tourism industry may support the hotel firms by offering marketing management skills and capabilities to ensure delivery of superior customer service to the target customers. This can be achieved with the involvement of other key players in the tourism industry such as the airlines, tours and travel agents.

With the unique characteristics of the tourism product, policy-makers can consider offering support in terms of developing and implementing strategic marketing policies that can enhance the performance of the tourism sector and the hotel industry in particular.

Implications for the Practice of Marketing

Service quality management approach has been recognized as a business practice that is widely used by many firms to improve performance (Singels *et al*., 2001; Kaynak, 2003; York & Miree,

2004).The findings of the study indicate that service quality management practices positively influences firm performance. The study provides support that marketing productivity facilitate the conversion of market-oriented philosophy into superior firm performance and satisfaction of customer requirements. In this regard, managers can consequently develop a firm culture that supports the delivery of superior customer service by all employees of the firm.

Intensified competition and changing of marketing landscape due to globalization, makes the sustainability of hotel businesses possible with the adoption of a service quality management approach. Understanding industry competition is key and underscores a firm's strategic decision for competitive market positioning. The results of the current study provide important insights to firms' executives in terms of developing a better understanding of the industry competition, provision of superior customer service and managing the firms for superior performance.

Suggestions for Further Research

The research findings contribute to the existing conceptual and empirical evidence that service quality management practices influence firm performance. The inclusion of additional factors not covered in this study could shed more light into the relationship between service quality management practices and firm performance. The factors used to measure the study variables, namely service quality management practices (top management support, employee management, customer orientation, quality information, reward and recognition and product/service design) and performance are not exhaustive. A further review of quality management literature would identify additional factors that may contribute to a more exact measurement of service quality management.

Future studies on service quality management practices on hotel firms or of similar firms should use both subjective and objective measures of performance so that the relationship between the two can be more thoroughly investigated. It may be helpful for future studies to build up constructs that combine both objective and subjective performance measures.

The replication of this study in other sectors of the tourism industry such as tours and travel agencies, other firms in the service industry, the manufacturing sector, not-for-profit making organizations, government ministries, departments and agencies or a combination of the industries and

firms can produce a more encompassing view of the nature of the relationship the principal variables of the two factors.

The current study employed a cross-sectional research design where data were gathered at a single point in time. The limitation of cross-sectional research design is that the specific cause and effect relationship between variables is subject to measurement errors. Therefore a longitudinal study which measures dynamic relationships should be conducted in future studies to test the relationship between service quality management and firm performance.

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