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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

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