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## THE ROLE OF TOTAL QUALITY MANAGEMENT PRACTICES ON OPERATIONAL PERFORMANCE OF THE SERVICE INDUSTRY

**Abstract:** *The study examines the role of TQM practices in operational performance of hotels as one of the service industries. Hotels employees were surveyed for data collection through instrument. The reliability of measures was established before carrying out the causal analysis. Regression was used to analyze the hypothesis. The findings propose a positive relationship between TQM practices operational performance of hotels in the context of developing countries. TQM practice of Recruitment and selection has stronger impact on operational performance in comparison to the rest of practices. The investigation may be triangulated with other research strategies and data collection methods. The findings are significant while implementing quality practices in the service industry. The study has considered specific context for use of TQM practices as a competitive strategy by hotels in developing countries.*

**Keywords:** *Quality management; Operational Performance; TQM Culture, Quality enhancement*

### 1. Introduction

Globalization brings with itself the challenge for local industry and business in developing countries to compete with the international chains and businesses to which service industry is not an exception. The hotels are forced to show greater concern for its performance than before. This requires the hotels to excel in services to guests for accommodation, business, dining, and entertainment purposes. There is increasing challenge to perform activities by hotels including reservations, booking, checking-in and checking-out, cleaning and re-supplying rooms, halls and facilities. Total Quality Management (TQM) is an approach widely practiced by firms for continuously

enhancing the quality among services, products, and practices by taking customer's requirements into consideration to enhance customer satisfaction as well as performance of the firm E. Sadikoglu et al. (2014). Similarly Bon and Mustafa (2013) described that the adoption of TQM approach leads to higher quality of service. Lam et al. (2012) mentioned that TQM is globally recognized quality approach which leads to develop high quality services and products and enhance organizational performance. According to Zakuan et al. (2010), international Organizations have been seen taking considerable attention to TQM approaches because global competition. Feng et al. (2006) described TQM creates a quality culture in the organization by continuous enhancement not only the

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services or products but also in daily routine management operations and manufacturing. Talib and Rahman (2010) described that TQM approach is implemented by various companies and they take quality initiatives for obtaining sustainable and enhanced performance.

Parasuraman (2002) wrote “as global society becomes advanced economically, the societal demands for quality hotel services rapidly increase”. For this reason, a significant number of hospitality firms are taking initiatives to adopt TQM approach. Camison (1996) identifies that adoption of TQM approach has lot of benefits: firstly, the execution approach results in improved quality of services helping to gain profitability and market shares; secondly, enhancement in the image of the hotel; thirdly, support to provide high quality of human resources to hotel; fourthly, quality enhancement will lead to improve in production, distribution and sales of the hotel services, increase salaries and promotional paths to all employees of organization, high morale and self-involvement; Lastly, the change in culture of any organization can support hospitality services enterprises to offer value to customer.

TQM approach isn't only restricted to manufacturing related quality improvements but also widely adopted by service sector firms to provide quality services. Literature about TQM is usually concerned with manufacturing firms against the impression that TQM practices are likewise related to service sector (Agus & Abdullah, 2000; Ljungström & Klefsjö, 2002; Talib & Rahman, 2014). Brah et al. (2000) and Huq (2005) argued that there are very few TQM studies on service sector in comparison to manufacturing sector. It is also mentioned in a research study that manufacturing firms have shown greater commitment to TQM compared to service firms (Yasin et al., 2004).

Organizations in the developed countries have excelled in quality and competitiveness

by realization of TQM approach. However, organizations in the developing countries worldwide have little experience with the approach. These organizations even don't know which TQM practices are important to adopt in which area of that organization. These organizations are even not able to identify the barriers associated with successful adoption of TQM practices. Abusa and Gibson (2013) mentioned that these types of organizations have lost overall business excellence, customer satisfaction and competitiveness. Pakistan is included in the list of developing countries which need to keep on compete in the international market; the emphasis is on enhancing services and products quality and overall performance of firms.

This study is concerned with TQM practices observed in the hotels of capital city Islamabad and the adjacent city Rawalpindi. The TQM practices relevant to the operational performance of service industry have been identified. To find how well the TQM practices are implemented and are the related to the operational performance of the hotels, relationship has been tested. It is also assessed to find the critical TQM practices for operational performance.

## 2. Literature Review

Researchers believe that TQM approach enables firms to be competitive. As a management approach, TQM aims to achieve improvement in functions of firm to create and provide services and products to fulfil customers' requirements of quality, quantity, time and cost by processing, monitoring and controlling with the full time participation by all the workforce under best leadership (Demirbag et al., 2006).

TQM as a technique, work as system comprising of practices related with performance of firm (Lakhal et al., 2006). Prajogo and Sohal (2003) found that quality performance showed positive and strong

relations with TQM approach. Process management, as main element of TQM, helps to achieve product quality especially where top management supports quality culture (Zehir et al., 2012). Prajogo and Brown (2004) found positive association among quality culture and firm's performance. Dale and Cooper (1994) cited "TQM is meant as an idea or philosophy taking all activities and actions in which the expectations and requirements of the consumer and the firm's objectives are achieved efficiently and effectively by increasing through engagement of the employees towards continual improvement.

TQM enables firms to attain efficiency, effectiveness and flexibility (Oakland, 1989). He explained that a truly effective and efficient organization must perform adequately together to achieve the same purpose, realizing that each employee and each process affects the performance and in return they are affected – the techniques and methods utilized to implement the TQM approach throughout the organization. TQM is explained as a management consisting of interdependent units namely its core values, methods such as bench-marking, customer's focus, process management, improvement teams, and planning and statistical tools about i.e., control charts (Hellsten & Klefsjö, 2000). TQM refers to culture of a firm that thrives on customer value created and improved continuously by involving of all the employees in the entire firm (Prajogo & Sohal, 2003).

Some studies have presented several TQM practices considering importance of the successful TQM implementation but none of these research studies has determined a common set of practices in service sector which adopt TQM approach (Hoang et al., 2006; Ooi et al., 2008). This cause to variance and inconsistencies on these previous studies which often made it complicated to arrive at any conclusion from which such TQM practices to be implemented to get the desired outcomes.

Several of research studies have studied the process of implementing the TQM approach along with the exploration regarding TQM practices. The TQM practices are summarized in two categories relating to human resource issues (table 1) and organizational processes and environment (table 2).

Arshad and Su (2015) identified the TQM practices which are service culture, commitment of the leadership, continuous improvement, emphasis on customer, information system efficiency, usage of communication technology, and knowledge sharing. Al-Ettayem and Zy'bi (2015) identified satisfaction of customer, continuous improvement, training, top management commitment, and teamwork as TQM practices.

Twelve dimensions of TQM were identified in the service sector of India; 51 banks were surveyed; these dimensions are service culture, leadership, HRM, information analysis, technology, bench-marking, customer and employee satisfaction, continuous improvement, responsibility to society, union influence and service quality (Sureshchandar et al., 2002). A study carried out by Ueno (2009) in the UK service sector of medium and large size mass technologies, who determines 7 management practices which provide support to service quality; these practices are performance appraisals, culture, recruitment and selection communication, training, empowerment, teamwork and rewards.

Samat et al. (200) discovered the association among TQM elements and services quality and also the relationship among TQM elements by taking survey from 175 service firms in Malaysia. Seven elements used in that study were continuous improvement, management support, training, employee empowerment, customer satisfaction, communication and focus on customer. TQM has been studied by considering eleven dimensions including customer value, employee engagement, empowerment,

training, supplier quality management, cleanliness organization, top management support service design, bench-marking, quality rewards and process improvement (Brah et al., 2000).

Behara and Gundersen (2001) discussed 11 practices of TQM implementation in their research in 170 United States service organizations. These eleven practices are bench-marking, compensation, training, empowerment, assessment, technology management, teamwork, participation training, PM, outcome measurement and employee participation. Gustafsson et al. (2003) identified three TQM practices using data of 281 service organizations. These practices are customer orientation, process

orientation and employee management.

Sila (2007) identified focus on customer, commitment of leadership, information analysis, managing process, human resource, and supplier. Literature review of TQM practices has come up with 17 practices observed in service firms (Talib et al., 2011). These practices are commitment from leadership, training, customer and supplier management, employee engagement, working on improvement and innovation, information analysis, quality systems, process management, benchmarking, HRM, culture of quality, organizational planning, team collaboration, information flow, service design and employee encouragement.

**Table 1.** TQM HR Practices

Author (Year)	Management Commitment	Training	Leadership	Employee Empowerment	HRM	Teamwork	Rewards	Employee Satisfaction	Employee Involvement	Recruitment & Selection	Employee Management	Employee Encouragement
Arshad & Su, 2015	√											
Al-Ettayem & Zu'bi, 2015	√	√				√						
Salhieh & Abu-Doleh, 2015	√				√		√					
Zehir et al., 2012			√		√							
Ueno, 2008		√		√						√		
Samat et al., 2006	√	√		√								
Sila 2007			√		√							
Talib et al. (2011)	√	√			√	√			√			√
Sadikoglu and Zehir, 2010		√	√								√	
Kumar et al., 2011	√	√		√		√						
Bayraktar et al., 2008		√	√				√					
Sureshchandar et al., 2002			√		√			√				
Brah et al., 2000	√	√		√			√		√			

Sadikoglu et al. (2010) summarized eight TQM practices after systematically reviewing the previous literature. Among other practices, the study found employee and supplier management, and communication system. They also investigated employee performance and the effects of innovation relationship by implementing these practices inside the Turkish organizations. (Talib &

Rahman, 2010) identified nine practices in their study on service firms with respect to top management, employees management, performance system and bench marking.

Kumar et al. (2011) concluded with ten practices for services and manufacturing and service firms. These practices are related to top management, employees management,

performance measurement, continuous improvement, customer satisfaction, employee's empowerment, training, effective communication and feedback. Bayraktar et al. (2008) concluded with leadership, program design, vision, process

improvement, performance management system, quality control, reward system, employee involvement, education and training, stakeholders focus, and student focus.

**Table 2.** TQM Organizational Practices

Author (Year)	Customer Focus/ Satisfaction	Continuous Improvement / Innovation	Process Management	Information System Quality/ Information Analysis	Supplier Management	Communication Technology Usage	Service Culture	Performance Appraisals	Quality System/ Culture	Benchmarking	Knowledge Sharing	Stakeholder Focus	Social Responsibility
Arshad & Su, 2015	√	√		√		√	√				√		
Al-Ettayem & Zu'bi, 2015	√	√											
Salhieh & Abu-Doleh, 2015	√					√							
Zehir et al., 2012	√	√	√		√								
Ueno, 2008						√	√	√					
Samat et al., 2006	√	√				√							
Sila 2007	√		√	√	√								
Talib et al. (2011)	√	√	√	√	√				√	√			
Sadikoglu and Zehir, 2010		√	√	√	√								
Kumar et al., 2011	√					√		√					
Bayraktar et al., 2008			√					√	√			√	
Sureshchandar et al., 2002	√	√		√		√	√			√			√
Brah et al., 2000	√		√		√					√			

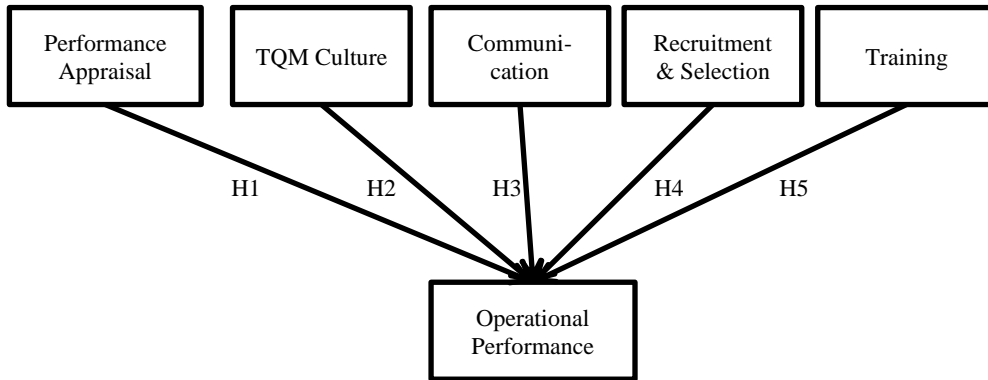
The researchers have frequently included management commitment, training, leadership, employee's empowerment and HRM as TQM practices. Other practices included in their studies are rewards, employee satisfaction, involvement, management, encouragement and recruitment and selection. The frequently mentioned TQM organizational practices include customer and supplier management, continuous improvement, process management, information system and communications. Other organizational practices include service culture, performance appraisal, bench mark, knowledge sharing, stakeholder focus and

social responsibility. However frequency of appearance in literature is not the criteria for this study. This study adopts the approach of including common TQM practices relevant to the service sector as suggested by Ueno (2009).

TQM has been developed in manufacturing industry but it is equally relevant in the services providing firms as the focus of all sorts of firms is on fulfilling the expectations of customer. For this purpose it is necessary to identify the unique practices for an effective and efficient implementation of TQM in service sector organizations. For operational performance of organization, an

effective quality programs shall comprise of practices like performance appraisals, culture, communication, recruitment and selection, and training (Ueno, 2009). This

has been used as foundation for the framework of this study as proposed in Figure 1.



**Figure 1.** Conceptual Framework of the study

### 3. Conceptual Framework

In this study, operational performance is the variable of interest that is assumed to depend on TQM practices namely performance appraisal, culture, communication, recruitment and selection and training. Operational performance with respect to hotels considered in this study is services and facilities, personnel, and management system.

Yunis et al. (2013) concluded that TQM practices are in positive relationship with firm's operations. This is supported by other researchers suggesting dependency of operational performance on TQM practices (Claver & Tari, 2008; Demirbag et al., 2006; Sadikoglu & Zehir, 2010; Saravanan & Rao, 2007). Shenawy et al. (2007) found that TQM positively affect performance. Nicolau and Sellers (2010) explain TQM is measures of performance which increase shares, market value and profit. Corredor and Goñi (2011) argued that firms which adopt a TQM approach perform better than non-TQM firms. Researchers have empirically tested and argued that there is positive association of TQM on firm's performance in terms of

operating performance (Fuentes et al., 2006; Lakhali et al., 2006; Nicolau & Sellers, 2010; Sadikoglu, 2008; Samson & Terziovski, 1999; Saravanan & Rao, 2007)

TQM practices including performance appraisals, culture, communication, recruitment and selection, and training are the independent variables in this the study Figure 1. Performance appraisal, the first of the practices, is a process which ensures common understanding among the worker and his manager by using the procedure of evaluating the subordinate directly by his job particular communication, performance priorities, assigned responsibilities and expectations. Performance appraisal is also a technique of giving planned and timely feedback which tries to improve teamwork and encourage greater efficiency and effectiveness. Previous literature review claims that performance appraisal and organizational performance are positively related. Sang (2005) realized that an effective performance appraisal system improves performance of a firm.

An extensive appraisal system improves subordinate's commitment (Rahman, 2006). The procedure of performance appraisal has



positively associated with improved productivity of organization (Brown & Heywood, 2005). Performance appraisal is believed to strengthen the relationship among workers and supervisors (Cook & Crossman, 2004). It was proposed that performance appraisal is a vital technique in order to provide base to career development, promotion of employees and recognition. It is described as a most productive process which enhances firm performance. Performance appraisal has significant positive affect organizational performance (Ahmad & Schroeder, 2003; Pao-Long & Wei-Ling, 2002).

Nevling (1992) argued management in many organizations does not require direct monitoring and control over total quality practices but this becomes critical in services organizations. Nevling (1992) explained that performance appraisals could give direction for meeting and exceeding managerial expectations to employees. Nevling (1992) wrote upper management should guide employees. On the basis of preceding discussion this relationship is hypothesized as:

H<sub>1</sub>: Performance appraisal is positively associated with operational performance.

The second of the TQM practices considered in this study is quality culture. A strong culture drive is emphasized for successful TQM implementation (De Cock, 1998; Hackman & Wageman., 1995; Katz et al., 1998; Kujala & Ullrank, 2004; Metri, 2005; Nasierowski et al., 1997). TQM approach is more likely to be successful if the existing firm culture works with the basic assumptions and values suggested by the TQM approach (Kujala & Ullrank, 2004). TQM is the synthesis activity of the technical, cultural and organizational elements of a firm. TQM is an approach that realizes that culture of may influence behaviors of an organizational that may affect quality.

Escrig-Tena (2004) support TQM as an advanced approach to ensure quality.

According to Cook and Crossman (2004), quality systems same alike TQM approach can also provide better services quality and firm performance. Culture of organizations might create such situation that would affect operational performance of the organization. Irani et al. (2004) describes that adoption of TQM practices may have indirect influence on changing firm culture. Grönroos (2000) argued “a robust culture improves customer or service direction and understanding of providing service quality. Schneider (1980) argued that an organizational service-directed culture has a dominant effect on employee’s behavior in service delivery.

Parasuraman (1986) argued that employee’s behavior is critical for supplying quality services. Gronroos (1990) pointed out that there is no direct monitoring and control over quality service and over employee’s behavior in service organization. It is the organizational culture that really motivates employee behavior, gives guidelines toward customer’s satisfaction. Quality culture generates environment of cooperation to help accomplishing objectives in a joyful mannaer. Most of the people feel appreciated and valued in organization and their opinions tend to be prioritized, and along with their actions follow recommendations and suggestions. The discussion suggests a relationship where:

H<sub>2</sub>: TQM culture is positively related to operational performance.

Communication, the third of the TQM study included in the framework, is vital for supporting service quality. According to (Grönroos, 2000), communication from top management helps employees to understand customer value. Communication from employees generates feedback on customers needs to top management. It helps front employees to understand their responsibilities to serve value to the customers (Grönroos, 2000). Ingram and Daskalakis (1999) emphasized that in case important information isn’t conveyed will lead to customer dissatisfaction about service

quality. Communication keeps workers motivation and their interest which may result more committed to the organization.

Kumar et al. (2011) determined that effective communication is among one of the success factors regarding with both service and manufacturing organizations.

Communication satisfaction impacts the way how we realize each other, corporation performance, stress, job satisfaction, turnover and relationships of employees, it truly is imperative that people analyze how to enhance the entire quality associated with working environment. Analyzing effective communication is another important resource for hotel managers to make use inside their human resource expertise.

Effective communication enhances customer satisfaction and performance of an organization (Yusuf et al., 2007). Khwaja et al. (2020) showed that process management and customer focus relationship is positively mediated by Perceived Organizational Support. Dizgah et al. (2012) identified that flexibility in offering services is among one of the important factors that need to be considered by top management. To enhance organizational performance, top management should provide authority to personnel and make it possible for them to take part in decision making process, and furthermore vertical and interdepartmental communication need to be facilitated.

Communication helps attain service quality as it supports employees feedback on customers need desired from the organization. Grönroos (2000) wrote that upward communication lets employees to deliver information about customers and allows employees to communicate customer's needs and expectations. Communication maintains employee's interest, motivation and satisfaction which give direction to their commitment to the company and to provide quality services. The preceding discussion suggests the following assumption:

H<sub>3</sub>: Communication and operational performance are positively related.

The fourth of the TQM practices, as an independent variable is recruitment and selection. Hiring skilled and certified individuals comes through the processes of recruitment and selection. It involves finding suitable candidates through advertising, screening testing and interviews (Montana & Charnov, 2000). A firm aims to select individuals important for a firm success. Recruitment and selection has positive effect on firm performance (Croucher, 2008). Moreover, Sang (2005) pointed out a positive relationship among recruitment and performance. Several studies also reported same positive results among performance and recruitment (Katou & Budhwar 2006).

Recruitment and selection includes the processes which bring and screen qualified, skilled and competent people. Größler and Zock (2010) described that the organizational performance depends on workload balance, required skills and motivation of workforce. Recruitment aims at attracting right workforce through advertisements and screening prospective applicants by assessment tools and interviews (Montana & Charnov, 2000). The aim is to select the best candidates by using the results from tests and interviews, and as well as on-boarding to make sure that the selected individuals are able to accomplish their roles and responsibilities effectively. Omolo et al. (2012) also concluded that hiring process is positively related to organizational functioning. The same has been reported in another study by Katou and Budhwar (2006). Recruitment of the top possible employees has been perceived as dynamic role in delivery of quality services. Croucher (2008) claim that business performance has recruitment and selection as its antecedent. Parasuraman (2002) stated in clear terms that ineffective hiring system results in induction of incompetent and unskilled employees and that in turn hinders the organization to provide quality services.



The preceding discussion supports the hypothesis suggesting that:

H<sub>4</sub>: Recruitment and selection and operational performance are positively related.

The fifth independent variable in the study is Training. Training transfers the knowledge of continual enhancement and advancement in providing services to achieve full advantages and gain business excellence. E. Sadikoglu et al. (2014) linked training with operational performance. Phan et al. (2011) reported that training have positive association with operational performance. Corporations shall train their employees with new abilities, skills, knowledge and expertise which will result to a more effective and efficient environment. Vargas and Tian (2013) stated that changes affected by globalization and technological advancement require novel approaches to train staff. Training enables employee's effectiveness through learning the job related knowledge, skills and abilities.

Mahadevappa and Kotreshwar (2004) emphasized staff training in statistical tools for ensuring quality. Training is enabler of sustaining high quality inside the service corporation (Talib & Rahman, 2010). Vermeulen and Crous (2000) found a positive relationship between organizational performance and training.

Firms need to invest heavily on training and development of their workforce for effective and efficient implementation of client-oriented strategies and approaches. Investments on training generates enormous benefits (Blair & Sisakhti, 2007). Investment on training and development produces strategic competing advantages to all firms. For competitive edge, an organization needs to train and development their workers which enables organization to respond to the new situations. An extensive training activities are associated to low turnover, organizational effectiveness and productivity (Lee & Bruvold, 2003). It is assumed that there is positive association between training and performance of an organization (Delaney & Huselid, 1996).

Pyo (2002) claimed that training is one of the supporting factor of the hospitality and tourism industries. Berry and Parasuraman (1992) claimed training is important feature to provide service quality too confidently and competently. Poor training to employees is the main reasons for providing low quality services and training helps to minimize many risks attached with quality service failures. Training is a powerful and highly effective building block associated with organization in accomplishment of goals and objectives. The preceding discussion suggests that training is associated to performance.

H<sub>5</sub>: Training is related to operational performance.

The hypotheses are tested by collecting data through questionnaire and using appropriate analysis techniques through methodology presented in the following.

#### 4. Methodology

Sekaran and Bougie (2009) expressed that research design includes the complete information on research study instruments, data collection techniques used in analysis of collected data. Instrument has been adopted from various sources. Five points Likert scales has been used for the measure. There are no negative keyed items therefore reverse coding is not required. Operational performance has five items on reputation for quality services, customer satisfaction, employee's satisfaction, response to customer complaints and clarity of productivity expectations. Performance appraisal has three items related to improved communication through feedback on performance, developing training programs, effectiveness of feedback on performance. TQM culture has items of reward culture, focus on common goal, strong teamwork, top management support, and organizational expectations. Communication has four items measuring effectiveness, flow of communication, enabler to respond to customer requirements and level of contact

between those registering complaints and serving customers. The recruitment and selection is measured though focus on quality, considering the cost on recruitment and selection as investment, adapting formal process and appropriate criteria, and high focus on recruitment and selection process. The training has items of trained for role, value of training and development, consideration of customer value in developing training content, and training and education of the managers.

The population of this study comprises of all hotels in Rawalpindi and Islamabad. The sample of the study would be collected from managerial employees of the hotel from Rawalpindi and Islamabad. Hotels situated in these geographical locations are selected because of easy access. Moreover, because of time and cost constraints, it is difficult to conduct this research in different areas of countries. Questionnaire will be collected from one hundred and fifty to two hundred (150-200) management employees from hotels in Rawalpindi and Islamabad.

**Table 3.** Reliability of Measures

Construct	N. of Items	Cronbach Alpha
Performance Appraisal	4	0.872
TQM Culture	4	0.825
Communication	4	0.851
Recruitment and Selection	4	0.846
Training	4	0.887
Operational Performance	5	0.939

The reliability of measurement model, the value of Cronbach’s alpha is used. Alpha ranges between 0 and 1, where the former stands for no similarity and the later for complete similarity.

The alpha value of 0.7 demonstrates that the items are sufficiently loaded on the respective construct (Sekaran & Bougie, 2009). The values in table 3 show that the measures are reliable and appropriate for conducting causal analysis. Regression is run to test the used to analyze the causality model given in Figure 1.

## 5. Results and Discussion

R-Square ( $R^2$ ) can be used for analyzing the statistical model where primary objective is to estimate the future results based on related information.  $R^2$  gives the proportion associated with variability that is accounted regarding to statistical model.  $R^2$  provides measures suggesting how well the future outcomes can be foreseen through the proposed framework.  $R^2$  is calculated through correlation coefficient ( $r$ ) by taking its square. The values of  $R^2$  vary from 0 to 1 that gives information regarding goodness of fit of any model.  $R^2$  value for the model in this study is 0.794, which means that about 80% predictability of the operational performance is explained by the variables of performance appraisals, culture, communication, recruitment and selection, and training.

The value  $F = 75.597$  is significant at  $p = 0.000$ , means that variance demonstrated by the variables in operational performance is important, and therefore support the hypotheses in the model. The  $F$  value suggests goodness of fit regarding the given data.

The value of beta coefficients for the predictor variables (TQM practices) are positive which suggests that the selected TQM practices such as performance appraisal, TQM culture, communication, staffing, and training are determinants of operational performance. The study concludes that TQM practices as predictor variables determine operational performance in the case of hotels located in Rawalpindi and Islamabad in a positive way.

The values given in Table 4, suggests that recruitment and selection has the strongly influences operational performance. Communication, performance appraisal, training and TQM culture come next in terms of their influence on operational performance.

**Table 4.** Path coefficients and significance

Hypothesis	Beta	P Value
H1: Performance Appraisal->Operational Performance	0.208	0.024
H2: TQM Culture->Operational Performance	0.177	0.014
H3: Communication->Operational Performance	0.218	0.017
H4: Recruitment and Selection->Operational Performance	0.318	0.003
H5: Training->Operational Performance	0.184	0.035

## 6. Conclusion

After detailed review of literature, five TQM practices were acknowledged namely, performance appraisal, TQM culture, communication, recruitment and selection, and training for this particular study. Given to the results of data analysis, the study concludes that the TQM practices in the proposed model are essential for the effective adoption of TQM in the hotels located in Rawalpindi and Islamabad. The above mentioned TQM practices enhance the operational performance of the hotels. These TQM practices are suggested as the best practices in this research study and it is concluded from the results that all five identified practices are very critical and effective for successful adoption of TQM in hotel industry. Therefore, these TQM practices may be considered as best TQM practices for hotels in Rawalpindi and

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Islamabad. This research has achieved stated objectives which successfully and empirically examined association among best practices and performance.

This work proposed positive association between independent variables consisting of TQM practices including appraisal, culture, communication, training, recruitment and selection and dependent variable of operational performances. A cause and effect relationship was determined among these variables using regression analysis. The results validated the claim that TQM practices have positive effect on operational performance.

If TQM practices are implemented in letter and spirit, it will yield better results in terms of quality, operations performance and profitability of the hotel in Rawalpindi and Islamabad. Quality means what both internal and external customers desire and can be beneficial for them.

Further, the results suggest that recruitment and selection of all employees of the hotels is considered as very important for implementing TQM approach. This conclusion is strongly supported by literature. Therefore, quality of staffing process will lead to raising quality of hotels under study. At the same time, communication, appraisal system, training programs, and TQM culture are considered equally important for successful application of TQM approach.

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