

# Total Quality Management and its Relevance in Nepalese Hotel Industry

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## ABSTRACT

Total Quality Management (TQM) has emerged as a comprehensive organizational management approach, emphasizing continuous improvement to enhance product and service quality. This study aims to investigate the impact of Total Quality Management (TQM) practices on service quality in the hospitality sector of Nepal. Additionally, it seeks to explore how service quality, influenced by TQM practices, affects customer satisfaction in Nepalese hotels. The research focuses on employees in the Nepalese hospitality sector, utilizing a research population of 358 individuals through convenience sampling. Structural Equation Modeling (SEM) is employed as the analytical tool to assess the relationships between TQM practices, service quality, and customer satisfaction. The findings reveal that management support and commitment, quality planning, and continuous improvement significantly contribute to enhancing service quality in hospitality management within the Nepalese context. Furthermore, the study establishes a significant positive influence of service quality on customer satisfaction in Nepalese hotels. This research underscores the relevance of TQM practices in elevating service quality and subsequently impacting customer satisfaction in the burgeoning Nepalese hotel sector. Understanding these dynamics holds strategic importance for industry practitioners and policymakers.

**Keywords:** Hospitality management, Customer satisfaction, Total quality management, Hotel sector; Nepalese.

## Introduction

The primary concern for many organizations revolves around the importance of quality, and the success of an organization is contingent upon the effective implementation of quality management concepts to overcome challenges in the global environment (Marin & Tudoran, 2019). Total Quality Management (TQM) has emerged as a new management technique that organizations, including service-oriented ones like hotels, are compelled to adopt to attain competitiveness and

business excellence. Particularly in challenging circumstances, hotels face the added pressure of enhancing profitability (Sharma, & Srivastava, 2018). The concept of TQM first emerged in the 1980s and 1990s, both in developed and developing nations. According to Wang et al., (TQM) is a management philosophy considered efficient in achieving competitive performance in the highly competitive global market. The practical implementation of quality management is a challenging and time-consuming process, with

benefits often posing a challenge to generate. The adoption of TQM practices is crucial for resolving organizational issues and improving overall performance (Jum'a & Mansour, 2023). TQM ensures a predefined level of quality, making it the outcome of a systematic TQM system tailored for specific tasks and activities within the organization. TQM methods and techniques are applicable across various organizations, including manufacturing processes, public and private services, law enforcement, and educational institutions (Mitreva et al., 2019).

TQM is increasingly accepted and evolving into a way of life and thinking, making it an indispensable requirement not only for the hotel sector but for all organizations (Bouranta, et. al., 2019). The term "hotel service" encompasses a range of interconnected services aimed at meeting the urgent needs and demands of guests staying temporarily away from their home area (Faraj et al., (2021). Hotels, to enhance their performance, must offer incentives to attract customers, in addition to providing high-quality services. The global nature of accommodating customers from around the world has heightened the importance of providing exceptional services to ensure guests choose to stay at the same hotel in the future (Pambreni et al., (2019): Nguyen et al. 2019). The hotel sector provides diverse services such as lodging, specialized restaurants, a 24-hour coffee shop, laundry, a gym, a spa, and more. Sales and marketing efforts are challenged in attracting new clients, and a hotel's success is often measured by its ability to retain existing clientele (Ali et al., 2021). Service quality in hotels is subject to various quality control factors involving suppliers, hotel employees, and guests, and the entire process leading to a specific outcome reflects the hotel's service quality (Yeng et al., 2018). Achieving quality in hotels encompasses not only the efforts of employees but also the application of technology, methodology, and other aspects of production processes. Consequently, maintaining control and assessing the reliability and capacity of business processes is crucial (Quintana-Garcia et al., 2018; Bruža et al., 2020).

Several studies conducted since the early 1980s demonstrate that enhanced service quality positively influences customers' decision-making. Quality improvement plays a pivotal role in determining organizational success in today's competitive environment (Permana et al., 2021). Therefore, marketers in the service industry need to be highly attuned to the issue of service quality. The SERVQUAL instrument was developed to assess the difference between quality expectations and perceived service, emphasizing five dimensions: tangibles, reliability, assurance, responsiveness, and empathy (Babatunde, 2021). Given the assertion that hotels with excellent service attract a large number of satisfied customers, the hotel industry's emphasis on anticipating and delivering quality service becomes even more critical to secure customer loyalty (Franco et al., 2020).

### **Problem Statement**

The hospitality industry places a significant emphasis on delivering high-quality services. Total Quality Management (TQM) has become increasingly popular within the hospitality sector, with its importance heightened by intense global competition in hotel management. Despite the growing importance of TQM in the hotel sector and its positive impact on overall hotel performance, there remains a gap in the existing research concerning the specific implementation and effects of TQM within hotels. This study specifically focuses on investigating TQM practices and their influence on service quality and customer satisfaction in Nepal's hotel industry. By examining the application of TQM in the context of Nepalese hotels, the research aims to provide valuable insights into the relationship between TQM practices, service quality, and customer satisfaction. Closing this gap in the literature will contribute to the understanding of TQM in hotel management in Nepal, helping them enhance service quality.

In light of this, implementing TQM prioritizes service quality over customer satisfaction in the hotel industry (Talapatra et al., 2018). It is grounded in the philosophy of continual improvement to

meet customer expectations. TQM is gaining prominence in the service industry, particularly in the Nepalese hotel industry. In the hospitality field, quality is especially significant regarding the dimensions of services provided by employees and their ability to meet guests' expectations (Al-Dhaafri & Alosani, 2020). Consequently, this study is centered on evaluating the effectiveness of overall quality management in Nepal's hotel industry.

## Research Objective

The research's primary aim is to investigate how Total Quality Management (TQM) practices impact the service quality of hospitality sectors in Nepal. Also, to investigate how service quality impacts customer satisfaction of hotels in Nepal. Also, to analyze how management support and commitment, quality planning, continuous improvement, customer focus, and supplier relationships impact the service quality of hospitality sectors in Nepal.

## Literature Review

Based on the literature listed below, the studies concentrated more on the effects of total quality management on corporate green performance, entrepreneurial orientation, corporate social responsibility, perceived quality of service, innovative performance, market orientation, etc. The literature reviewed for this study is listed below in Table 1.

In 2019, Abbas investigated the fundamental relationship between corporate green performance (CGP) and total quality management (TQM) and analyzed the effects of total quality management on corporate green performance. The data were collected from the managers of Pakistani medium and large-sized manufacturing companies. Confirmatory factor analysis was used to test the measurement model, which examines the relationship between latent variables and their determinants. CSR partially mediates the relationship between TQM and CGP. The results indicated that an organization's ability to manage its total quality management activities effectively will improve employee skills, capabilities, and

motivation to use resources efficiently, leading to enhanced corporate green performance.

Mohammad et al., (2018) examined how corporate social responsibility and total quality management impact entrepreneurial orientation in the hotel industry context. The relationships between, entrepreneurial orientation, corporate social responsibility, and total quality management were hypothesized and examined. The research model was analyzed using structural equation modeling based on the valid responses obtained through a survey questionnaire. Data were collected from 340 hotels established in Iran with three to five stars spread across six major provinces. The validity of the results was investigated using confirmatory factor analysis. The findings demonstrated that total quality management has a favorable impact on corporate social responsibility.

Nasser et al., (2019) aimed to determine how Total Quality Management (TQM) practices affected the dimensions of employee performance who worked for the Ministry of Interior in Qatar with the moderating share of knowledge. 280 questionnaires were collected from respondents from the staff of the Ministry of Interior in Qatar. Their research data are analyzed using gradient regression and multiple regression. Their findings show that knowledge sharing through TQM practices impacts employee performance.

Shahab et al., (2018) explored the relationship between customer loyalty, perceived fairness in pricing, and perceived quality of service. They collected samples from 252 customers in Pakistan's hotel industry sector. They employed t-tests and variance analysis to test the variations in the expectations, attitudes, contentment, and loyalty among the various customer demographics. Their results indicated that the relationship between perceived service quality and customer loyalty is partially mediated by customer satisfaction.

Shanghong et al., (2020) examined the mediating effect of supply chain integration, the relationship between relationship quality and supply chain quality performance in the hotel supply chain.

Their respondents are senior management heads and above who have experience with a hotel's general operations in the provinces of Zhejiang, Fujian, Guangdong, Hebei, and Jiangsu. To test the conceptual model, they used SEM analysis. Their findings indicated that relationship quality directly and favorably influences supply chain quality performance; however, relationship quality also indirectly influences supply chain quality performance through supply chain integration, once a mediating variable is introduced.

Ali et al., (2020) examined the combined effects of total quality management (TQM), market orientation (MO), entrepreneurial orientation (EO), and organizational performance in the small and medium enterprise (SME) sector of the Kingdom of Saudi Arabia (KSA). A quantitative research design was employed in their work. A total of 393 questionnaires were sent to and gathered from SME owners and managers in the Kingdom of Saudi Arabia. Their research data was analyzed using structural equation modeling with partial least squares. Their findings show a positive and significant relationship between entrepreneurial orientation, market orientation, and total quality management and the organizational performance of SMEs.

Samer et al., (2023) investigated the relationship between quality management practices (QMPs) and

innovation performance at Jordan's five-star hotels and focused on the role of employee empowerment. The collection of 29 questions measuring quality management practices, employee empowerment, and innovation performance were distributed to 400 employees working in Jordan's five-star hotels. They used PLS-SEM analysis. Their findings indicate that while quality commitment (QC) and quality education and training (QET) have a positive and significant influence on employee empowerment and innovation performance, quality policy (QP) has an insignificant effect on these outcomes.

Rui et al., (2018) examined their study based on the IPO (Input-Process-Output) model, which takes into account executive ability (EA) and transformational leadership (TL) as the mechanisms (Process) to coordinate and promote internal and external elements for the organization to obtain its sustainable competitive advantage (SCA) (Output). A total of 252 valid responses were gathered and analyzed to discuss the relationships between TQM, TL, EA, and SCA. The analysis was done using confirmatory factor analysis, SEM, validity analysis, and reliability analysis. Their findings indicated that TL, EA, and SCA are greatly impacted by TQM, Both TL and EA have a mediating effect between TQM and SCA.

**Table 1: Review of Related Works**

Reference	Analysis/ Method	Objectives	Outcome
(Abbas, 2020)	Confirmatory Factor Analysis	To analyze the effects of total quality management on corporate green performance.	Total quality management activities effectively will improve enhanced corporate green performance.
(Jalilvand, et al., (2018)	Structural Equation Modeling	To examine the significance of CSR, TQM, and entrepreneurial orientation in the industry.	Total quality management has a favorable impact on corporate social responsibility.
(Saffar & Obeidat, 2020)	Multiple Regression Analysis	To determine how Total Quality Management (TQM) practices affected employee performance.	Knowledge sharing through TQM practices impacts employee performance.

Reference	Analysis/ Method	Objectives	Outcome
(Malik et al., 2020)	Linear Regression Analysis	To explore the relationship between customer loyalty, perceived fairness in pricing, and perceived quality of service	Perceived service quality and customer loyalty are partially mediated by customer satisfaction.
(Le, Wu & Zhong, J., 2021)	Structural Equation Modeling	To examine the mediating effect of supply chain integration, the relationship between relationship quality and supply chain quality	Relationship quality directly and favorably influences supply chain quality performance
(Ali et al., 2020)	PLS-SEM	To examine the combined effects of total quality management, market orientation, and entrepreneurial orientation in SMEs.	A positive and significant relationship between entrepreneurial orientation, market orientation, and total quality management.
(Al-Sabi et al., 2023)	PLS-SEM Analysis	To investigate the relationship between quality management practices and innovation performance on the role of employee empowerment.	Quality commitment and quality education and training have a positive influence on employee empowerment and innovation performance,
(Chen et al., 2020)	Confirmatory Factor Analysis	Exploring how executive competence and transformational leadership foster a sustainable competitive advantage for the organization.	TL, EA, and SCA are significantly impacted by TQM,

### Theoretical Background and Hypothesis Development

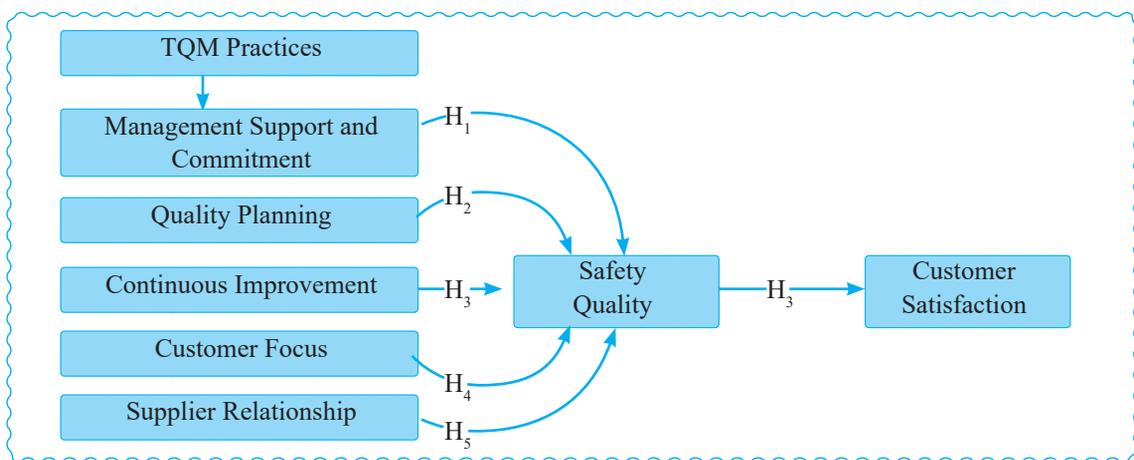
According to the resource-based view (RBV), a company's ability to maintain a competitive edge over its rivals is dependent on its uncommon, valuable, and hard-to-replicate resources. According to Tena, Llusar, and Puig, (2001), total quality management can create an unrivaled competitive advantage by energizing organizational schedules and regulations. The fusion of the Resource-Based View (RBV) and Total Quality Management (TQM) practices becomes a powerful lens for understanding and enhancing service quality (Eniola et al., 2019). Effective management support and commitment, viewed as internal resources within the RBV framework, are paramount in shaping the service-

oriented culture needed in the hotel industry. This commitment, when integrated with TQM practices, ensures that the organizational culture prioritizes customer satisfaction, aligning staff efforts with the overarching goal of delivering high-quality services (Savino, & Shafiq, 2018).

The commitment of hotel management becomes the cornerstone for allocating resources strategically, fostering a culture of excellence, and continuously improving service quality. Then, RBV's perspective on quality planning as a valuable internal resource aligns seamlessly with TQM practices in the hotel sector (Ramon-Jeronimo, et al., 2019). Quality planning, essential for meeting or exceeding guest expectations, becomes a fundamental element in both frameworks. TQM practices within hotels emphasize meticulous planning across

all facets of guest services, from reservations to housekeeping. The integration of quality planning and continuous improvement (Hamdoun, M., 2020) a dynamic capability in RBV, and a core tenet of TQM establish a systematic approach for hotels to consistently enhance processes and services, thereby elevating overall service quality. The emphasis on customer focus in both RBV and TQM practices is pivotal for the hotel industry. The RBV recognizes customer focus as a valuable internal resource, involving the alignment of internal processes with customer needs (Sugiono, 2018). TQM practices in hotels underscore the

importance of understanding and meeting customer needs, leading to personalized services, tailored experiences, and proactive measures to anticipate and fulfill guest expectations. This harmonious integration ensures that the hotel sector not only delivers high-quality services but also establishes strong connections with guests, fostering loyalty and positive word-of-mouth, which are critical for sustained success in the competitive hospitality landscape (Assensoh-Kodua, 2019). Therefore, figure 1 shows the theoretical framework of this study.



**Figure 1: Theoretical Framework**

**Research Hypothesis**

The study focuses on key Total Quality Management (TQM) practices, namely management support and commitment, quality planning, continuous improvement, customer focus, and supplier relationships, as independent variables influencing service quality in Nepal's hotel industry. Therefore, the following hypotheses are suggested:

**TQM Practices and Service Quality**

The hypotheses presented revolve around the factors influencing TQM practices on service quality within an organizational context. The first hypothesis (H1) posits that management support and commitment positively impact service quality. This suggests that when leaders within an organization actively endorse and commit to

service quality, it creates a positive environment that fosters improved service delivery (Anil, & KP, 2019). Management support often sets the tone for the entire organization, influencing employee behavior and attitudes toward providing high-quality services. The second hypothesis (H2) focuses on the impact of quality planning on service quality. Quality planning involves systematic processes to ensure that services meet predefined standards and customer expectations (Ali & Johl, 2022). If this hypothesis holds, it implies that organizations that invest time and resources in meticulous planning are more likely to deliver services of higher quality, as they have anticipated potential challenges and formulated effective strategies to address them (Alzoubi & Ahmed, 2019).

Hypothesis three (H3) asserts that continuous improvement positively affects service quality. This aligns with the idea that organizations committed to enhancing their processes, systems, and employee skills are better equipped to adapt to changing customer needs and preferences (Anil & Satish, 2019). Continuous improvement is a dynamic approach that seeks to optimize service quality over time, reflecting an organization's commitment to staying relevant and responsive. The fourth hypothesis (H4) suggests that customer focus has a positive impact on service quality. This aligns with the widely acknowledged principle that customer satisfaction is a crucial driver of service quality (Obeidat et al., 2018). Finally, the fifth hypothesis (H5) proposes that supplier relationships positively influence service quality. This implies that strong, collaborative relationships with suppliers contribute to the overall effectiveness of service delivery. Effective communication and coordination with suppliers can enhance the quality of inputs, leading to improved outcomes in the services provided (Abu Salim et al., 2019).

H1: Management support and commitment have a sustainable influence on service quality.

H2: Quality planning has a sustainable influence on service quality.

H3: Continuous improvement has a sustainable influence on service quality.

H4: Customer focus has a sustainable influence on service quality.

H5: Supplier relationships have a sustainable influence on service quality.

### Customer Satisfaction and Service Quality

Hypothesis (H6) posits a positive relationship between service quality and customer satisfaction. This suggests that as the perceived quality of a service increases, so does the likelihood of customers being satisfied with that service (Sahoo & Yadav, 2020). Service quality encompasses various aspects such as responsiveness, reliability, assurance, empathy, and tangibles. When customers perceive that a service meets or exceeds their expectations in these dimensions, it tends to

result in higher satisfaction levels (Kigozi et al., 2019). Essentially, a positive correlation between service quality and customer satisfaction implies that delivering a high-quality service is likely to contribute positively to the overall satisfaction of customers, fostering loyalty and potentially leading to repeat business and positive word-of-mouth recommendations (Zaidi, & Ahmad, 2020)

**H6: Service quality has a sustainable influence on customer satisfaction.**

### Methodology

#### Data Collection and Sample Description

The data for this survey was collected using a convenience sampling method, which is a non-probability sampling technique. Convenience sampling involves selecting individuals who are readily available and accessible to the researcher. In this case, participants were reached through the distribution of an online questionnaire using Google Forms. The survey was administered directly to participants via email (AlTaweel & Al-Hawary, 2021). Employees in the hospitality sector in Nepal represent the current research population. Out of 383 employees in Nepalese hotels, 358 provided valid responses, accounting for 96%. The remaining 25 responses were invalid, constituting 4% of the total. Consequently, the overall number of responses amounts to 358 employees in Nepalese hotels is used.

Table 2 provides a comprehensive overview of the demographic and professional characteristics of hotel employees in Nepal, highlighting the predominant gender, age, experience, and salary distributions within the sampled population. The sample characteristics of a study involving 358 participants are outlined. The majority of the participants are male, constituting 82.4% of the sample, while females make up 17.6%. In terms of age, the largest proportion falls within the 31-40 years age group, comprising 43.9% of the sample. Regarding experience, the majority of participants, accounting for 52.5%, have 3-6 years of work experience. When it comes to salary

levels, a significant majority, with 33.0%, earn above 75,000, followed by 26.5% earning between 50,000-75,000 respectively.

**Table 2: Sample Description (N=358)**

Measures	Constructs	Frequency	Percentage
Gender	Male	295	82.4%
	Female	63	17.6%
Age	20-30 years	64	17.9%
	31-40 years	157	43.9%
	41-50 years	92	25.7%
	51 and above	45	12.6%
Experience	Less than 3 years	46	12.8%
	3-6 years	188	52.5%
	6-9 years	87	24.3%
	10 years & above	37	10.3%
Salary	Below 20,000	97	27.1%
	20,000-50,000	48	13.4%
	50,000-75,000	95	26.5%
	Above 75,000	118	33.0%

### Operational Definition and Measurement of Variables

We defined the variables in this study by adapting the measurement variables used in previous research to suit TQM practices. The five dimensions of TQM practices were defined as follows: management support and commitment (Jalilvand, M.R. et al., 2018) referred to as the active endorsement and dedication of organizational leadership toward quality initiatives, reinforcing a culture of excellence and continuous improvement. Quality planning (Abbas, 2020). refers to the systematic process of developing strategies and methodologies to ensure that products or services consistently meet customer requirements and standards. Then, continuous improvement (Le, Wu & Zhong, 2021) refers to the ongoing effort to enhance products, processes, and services by identifying and implementing incremental advancements, fostering a culture of innovation and efficiency. Customer focus (Saffar & Obeidat, 2020) refers

to prioritizing and aligning business strategies, processes, and actions to meet and exceed customer needs and expectations. Lastly, the Supplier relationship (Al-Sabi et al., 2023) defines the establishment and maintenance of collaborative and mutually beneficial partnerships with suppliers are crucial for ensuring the consistent quality and reliability of inputs for the production process.

Based on previous research (Jum'a & Mansour, 2023; Abbas, J., 2020), the measurement items for TQM practices were set to four questions for each construct, for a total of 20 questions. The measurement items for service quality and customer satisfaction were set to five and four questions, respectively (Jalilvand et al., 2018; Le, Wu & Zhong, 2021; Al-Sabi et al., 2023). Table 3 shows the measurement items. The current study used a 5-point Likert scale, ranging from 1=completely disagree to 5= completely agree, for all measures.

**Table 3: Research Instrument**

Items	Definition	Instruments
Service Quality (SQ) (Jum'a & Mansour, 2023)	The degree to which a service meets or exceeds customer expectations, reflecting the effectiveness and excellence of the service delivery process.	<ul style="list-style-type: none"> <li>I received training related to service quality and customer satisfaction.</li> <li>The training programs in prepared to deliver high-quality service.</li> <li>The hotel provides flexibility in service according to customers' demands.</li> <li>The hotel resolves guests' complaints and compensates for the inconvenience.</li> <li>I work properly with equipment without causing breakdowns.</li> </ul>
Customer Satisfaction (CS) (Abbas, J., 2020.)	The extent to which customers' needs and expectations are fulfilled, indicating their overall contentment with a product or service experience.	<ul style="list-style-type: none"> <li>Managers and executives support the employees' initiatives to improve customer satisfaction.</li> <li>I regularly take feedback from customers about their experiences and expectations to measure their satisfaction.</li> <li>Hotels have a convenient location and accessibility.</li> <li>Hotels provide the possibility of organizing entertainment programs for guests.</li> </ul>
Management Support and Commitment (MC) (Jalivand, Khazaei, Balouei, Tabaein, 2018)	The active endorsement and dedication of organizational leadership toward quality initiatives, reinforce a culture of excellence and continuous improvement.	<ul style="list-style-type: none"> <li>I receive feedback and guidance from managers regarding performance</li> <li>I feel comfortable expressing concerns or ideas to managers.</li> <li>The top management strongly encourages the employees to share their views and try new things</li> <li>The management regularly shares the organization's vision with employees and ensures unity among departments to achieve excellence</li> </ul>
Quality Planning (QP) (Abbas, 2020)	The systematic process of developing strategies and methodologies to ensure that products or services consistently meet customer requirements and standards.	<ul style="list-style-type: none"> <li>My strategies and plans for my hotels are focused on quality improvement.</li> <li>The hotel's operations are effectively aligned with mission and vision statements</li> <li>To the demands of customers, employees should respond quickly and without delay.</li> <li>The hotels avoid the use of fossil fuels as much as possible.</li> </ul>

Items	Definition	Instruments
Continuous Improvement (CI) (Le, Wu & Jhong, 2021)	The ongoing effort to enhance products, processes, and services by identifying and implementing incremental advancements, fostering a culture of innovation and efficiency.	<ul style="list-style-type: none"> <li>The management provides adequate resources and support to achieve short and long-term objectives.</li> <li>I am aware of the continuous improvement initiatives implemented by the hotel</li> <li>I feel encouraged to contribute ideas for continuous improvement.</li> <li>The decision-making processes related to improving hotel operations.</li> </ul>
Customer Focus (CF) (Abbas, 2020; Le, Wu, & Jhong, 2021)	Prioritizing and aligning business strategies, processes, and actions to meet and exceed customer needs and expectations.	<ul style="list-style-type: none"> <li>Organizations design products and services by considering the consumer's requirements.</li> <li>We regularly provide information about our new products and services to our customer</li> <li>Hotels keep a strong relationship with customers by providing them with better communication.</li> <li>I resolve customers' complaints and have an effective mechanism for it.</li> </ul>
Supplier Relationship (SR) (Al-Sabi, Al-Ababneh, Masadeh & Elshaer, 2023)	The establishment and maintenance of collaborative and mutually beneficial partnerships with suppliers are crucial for ensuring the consistent quality and reliability of inputs for the production process.	<ul style="list-style-type: none"> <li>Hotel guests should feel safe in the hotel</li> <li>Interact with suppliers or vendors as part of my job responsibilities.</li> <li>The hotel management negotiates costs with suppliers to ensure value for money.</li> <li>The hotel works with any type of profit-sharing program with the supplier.</li> </ul>

### Data Analysis Procedure

Structural Equation Modelling (SEM) adopted in this study has a two-step approach involving a measurement model and a structural model analysis. In the first step, measurement model along with instrument validity and reliability were assessed, and in the second stage, structural model fit and relationship among variables were assessed to test the research hypotheses. This advanced statistical technique enabled a comprehensive examination of the complex relationships between variables.

### Software Tools

Software tools such as AMOS and SPSS were instrumental in the analysis process. AMOS facilitated the Structural Equation Modelling, allowing for a sophisticated evaluation of the relationships hypothesized in the study. By employing a combination of AMOS, and SPSS, the study aimed to ensure the reliability and validity of the measurements, providing a solid foundation for drawing meaningful conclusions regarding the impact of Total Quality Management practices on service quality in Nepal's hotel industry.

## Results

### Measurement Model

In Table 4, various measures related to Reliability and Convergent Validity are presented for different constructs in this study. Cronbach's alpha ( $\alpha$ ) is a measure of internal consistency, reflecting the reliability of the items within each construct (Fida et al., 2020). All constructs exhibit satisfactory levels of reliability, with Cronbach's alpha values ranging from 0.733 to 0.933. These values surpass the commonly accepted threshold of 0.70, indicating that the items within each construct reliably measure the intended concepts. Average Variance Extracted (AVE) is a measure of convergent validity, representing the proportion of variance captured by the construct about the total variance of its items (Shafait et al., 2021). The AVE values, ranging from 0.585 to 0.778, are generally acceptable, as they exceed the recommended threshold of 0.50. This suggests that the constructs explain a substantial proportion of the variance in their respective items, indicating good convergent validity.

Composite Reliability (CR) is another indicator of reliability, focusing on the ratio of true score variance to the total variance of a construct (AlTaweel & Al-Hawary, 2021). The CR values, ranging from 0.737 to 0.908, all surpass the threshold of 0.70, further supporting the internal consistency and reliability of the constructs. Examining the factor loadings for the individual items within each construct provides insights into the contribution of each item to its respective construct (Fida et al., 2020). Notably, all factor loadings are above the commonly accepted threshold of 0.70, suggesting that each item significantly contributes to measuring its intended construct. It also highlights the exclusion of items CS1 and CS4 in the Customer Satisfaction (CS) construct. This decision has been based on improper alignment. The remaining items in CS, namely CS2 and CS3, continue to demonstrate acceptable reliability and validity, contributing to the overall robustness of the measurement model.

**Table 4: Reliability and Convergent Validity**

Measures	Constructs	FL	$\alpha$	CR	AVE
Management Support and Commitment (MC)	MC1	0.822	0.933	0.933	0.778
	MC2	0.842			
	MC3	0.874			
	MC4	0.863			
Quality Planning (QP)	QP1	0.740	0.879	0.855	0.661
	QP2	0.867			
	QP3	0.875			
	QP4	0.771			
Continuous Improvement (CI)	CI1	0.772	0.906	0.908	0.713
	CI2	0.881			
	CI3	0.856			
	CI4	0.864			
Customer Focus (CF)	CF1	0.786	0.878	0.886	0.664
	CF2	0.895			
	CF3	0.864			
	CF4	0.673			

Measures	Constructs	FL	$\infty$	CR	AVE
Supplier Relationship (SR)	SR1	0.828	0.870	0.870	0.628
	SR2	0.797			
	SR3	0.821			
	SR4	0.772			
Service Quality (SQ)	SQ1	0.745	0.885	0.888	0.614
	SQ2	0.876			
	SQ3	0.821			
	SQ4	0.769			
	SQ5	0.786			

Table 5 presents the discriminant validity matrix, indicating the square root of the average variance extracted (AVE) for each construct on the diagonal and the correlations between constructs below the diagonal (Fida et al., 2020). In this case, all constructs exhibit satisfactory discriminant validity, as the square root of the AVE for each construct

(along the diagonal) exceeds the corresponding inter-construct correlations. The results suggest that the measurement model adequately distinguishes between the latent variables, reinforcing the validity of the measurement instrument in capturing distinct constructs in the study.

**Table 5: Discriminant Validity**

Measures	MC	QP	CI	CF	SR	SQ	CS
MC	0.882						
QP	0.559	0.813					
CI	0.415	0.301	0.844				
CF	-0.037	-0.04	0.025	0.815			
SR	-0.052	-0.097	0.007	0.625	0.792		
SQ	0.354	0.268	0.426	0.062	0.014	0.784	
CS	0.269	0.089	0.287	0.033	0.021	0.358	0.765

**Structural Model**

The model fit indices for the specified measures suggest that the tested model demonstrates excellent fit to the data in Table 6. The Comparative Fit Index (CFI), Normed Fit Index (NFI), Tucker-Lewis Index (TLI), Goodness of Fit Index (GFI), and Standardized Root Mean Square Residual (SRMR) all exceed the recommended thresholds for excellence, with values of 0.968, 0.924, 0.963, 0.905, and 0.042, respectively. Additionally, the

Chi-Square to Degrees of Freedom ratio (CMIN/DF) falls within the range of 1 to 3, with a value of 1.668, further supporting the model's excellent fit. The Root Mean Square Error of Approximation (RMSEA) also meets the criteria for excellence, with a value of 0.043, which is below the recommended threshold of 0.06. Collectively, these indices indicate that the model provides a highly satisfactory and accurate representation of the observed data, substantiating its overall goodness of fit.

**Table 6: Model Fit Index**

Measure	Threshold	Estimate	Interpretation
CMIN/DF	Between 1 and 3	1.668	Excellent
CFI	>0.90	0.968	Excellent
NFI	>0.90	0.924	Excellent
TLI	>0.90	0.963	Excellent
GFI	>0.90	0.905	Excellent
SRMR	<0.08	0.042	Excellent
RMSEA	<0.06	0.043	Excellent

**Hypothesis Testing**

In Table 7, the results of hypothesis testing for various paths in the study are presented. The beta ( $\beta$ ) coefficients indicate the strength and direction of the relationships between the independent variables and the dependent variable (SQ). The t-values assess the significance of these relationships, and the associated p-values determine whether the null hypothesis can be rejected. Hypotheses H1, H2, H3, and H6 are accepted as their p-values (0.027, 0.047, 0.000, and 0.000, respectively) are below the conventional significance level of 0.05.

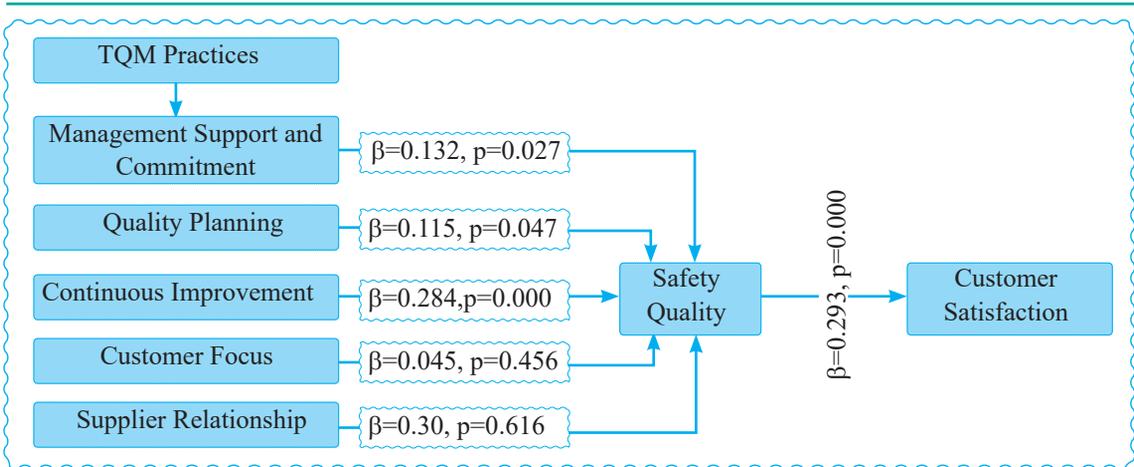
These findings suggest that the paths MC->SQ, QP->SQ, CI->SQ, and SQ->CS have significant effects on SQ. However, H4 and H5 are rejected with p-values of 0.456 and 0.616, respectively, indicating that the paths CF->SQ and SR->SQ do not have significant effects. Overall, these results show that management support and commitment, quality planning, and continuous improvement have a sustainable impact on service quality in hospitality management. Also, service quality has a significant

**Table 7: Hypothesis Testing**

Hypothesis	Path	$\beta$	t	Sig.	Outcome
H1	MC->SQ	0.132	2.214	0.027	Accepted
H2	QP->SQ	0.115	1.993	0.047	Accepted
H3	CI->SQ	0.284	5.371	0.000	Accepted
H4	CF->SQ	0.045	0.746	0.456	Rejected
H5	SR->SQ	-0.30	-0.502	0.616	Rejected
H6	SQ->CS	0.293	5.792	0.000	Accepted

Figure 2 shows the structural path diagram that illustrates a comprehensive framework that highlights the key factors influencing service quality in hospitality management, with a particular focus on Nepalese hotels. At the core of this model is the pivotal role of management support and commitment, quality planning, and continuous improvement, which collectively exert a sustainable impact on enhancing service

quality. The interconnected pathways demonstrate the intricate relationships among these factors, underscoring their synergistic effects (Fida et al., 2020). Moreover, the diagram underscores the critical link between service quality and customer satisfaction, emphasizing that the quality of services provided by Nepalese hotels significantly influences the overall satisfaction of their customers.



**Figure 2: Path Coefficient Diagram**

The hypothesis posits that management support and commitment, quality planning, and continuous improvement collectively have a sustainable influence on service quality in the context of hospitality management. Management plays a crucial role in setting the tone for service quality within a hospitality organization. A committed and supportive management team is likely to prioritize customer satisfaction, employee training, and the overall quality of services (Anil & KP, 2019; Zaidi & Ahmad, 2020). This commitment can manifest in various ways, such as resource allocation, setting high standards, and fostering a culture of continuous improvement. Quality planning involves systematic processes for identifying, understanding, and addressing quality requirements. In the hospitality industry, meticulous planning ensures that services are designed and delivered with a focus on meeting or exceeding customer expectations (Abu Salim et al., 2029). This can include developing standardized processes, defining quality benchmarks, and incorporating feedback loops to adapt to changing customer needs. Continuous improvement is a key element in maintaining and enhancing service quality over time (Kigozi et al., 2019; Alzoubi & Ahmed, 2019). In the dynamic hospitality sector, where customer preferences and industry trends evolve, an organization's ability to adapt and continuously improve its services is paramount. This may involve regular assessments, employee

training programs, and an openness to innovation and change (Anil, & Satish, 2019).

The hypothesis suggests that customer focus may not have a significant impact on service quality in this specific context. However, it's important to note that customer satisfaction is often intricately linked to the organization's ability to understand and meet customer needs (Sahoo, & Yadav, 2020). A focus on customer feedback, preferences, and expectations is typically considered a fundamental aspect of service quality in hospitality. Similarly, the hypothesis suggests that supplier relationships may not have a significant impact on service quality in this context. While the direct impact on service quality may vary, strong supplier relationships can contribute to the overall efficiency and reliability of the supply chain, indirectly influencing service quality (Ali, & Johl, 2022; Abu Salim et al., 2019). The hypothesis asserts that service quality has a sustainable influence on customer satisfaction in Nepalese hotels. This aligns with the widely accepted belief that in the hospitality industry, customer satisfaction is closely tied to the quality of services provided. Positive experiences, efficient services, and a welcoming atmosphere contribute to customer satisfaction and are likely to foster repeat business and positive word-of-mouth (Kigozi et al., 2019; Anil & KP, 2019; Abu Salim, 2019).

In conclusion, the hypothesis proposes a comprehensive framework where management support, quality planning, and continuous improvement collectively contribute to sustainable service quality in hospitality management. While customer focus and supplier relationships are suggested to have no significant impact on service quality in this specific context, the hypothesis emphasizes the critical role of service quality in influencing customer satisfaction, particularly in the context of Nepalese hotels (Obeidat et al., 2018). It's essential to consider the unique characteristics of the hospitality industry and the local context when interpreting these relationships (Zaidi & Ahmad, 2020).

## Conclusion

This research sought to investigate the impact of Total Quality Management (TQM) practices on service quality in Nepalese hotels and, subsequently, how service quality influences customer satisfaction. The study identified that management support and commitment, quality planning, and continuous improvement significantly contribute to sustaining high service quality in hospitality management within Nepal. Surprisingly, customer focus and supplier relationships were found to have no impact on service quality in Nepalese hotels.

The adoption of Total Quality Management (TQM) in Nepalese hotels holds significant managerial implications. TQM principles offer a strategic framework for elevating service quality, guiding managers in resource allocation decisions. Prioritizing investments in employee training, technology adoption, and robust customer feedback systems aligns with TQM's emphasis on continuous improvement, contributing to enhanced guest satisfaction and the long-term success of hotels in Nepal's competitive market.

The theoretical implications of TQM adoption in Nepalese hotels resonate with Resource-Based Theory. TQM is recognized as a valuable and unique resource, differentiating hotels through continuous improvement and employee expertise. TQM's alignment with dynamic capabilities, emphasizing

adaptability, aligns with Resource-Based Theory, suggesting that Nepalese hotels implementing TQM may develop crucial adaptive capacities for thriving in a dynamic and competitive market.

## Limitations, and Future Research

While the study on Total Quality Management (TQM) in the Nepalese hotel industry provides valuable insights, its generalizability may be limited by unique cultural, economic, and geographical factors specific to Nepal. The research's sample size and homogeneity may impact broader applicability and representation of diverse hotel types. Future research could explore cross-cultural applicability by comparing TQM experiences in Nepalese hotels with those in other regions for a more comprehensive understanding. Additionally, focusing on the employee perspective in future research could examine TQM's impact on employee satisfaction, engagement, and retention in the Nepalese hotel industry.

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