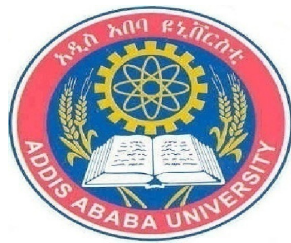


ADDIS ABABA UNIVERSITY
ADDIS ABABA INSTITUTE OF TECHNOLOGY
SCHOOL OF MECHANICAL & INDUSTRIAL
ENGINEERING



IMPROVEMENT OF SERVICE QUALITY IN
ETHIOPIAN HOTEL INDUSTRY

By: MAHEDER TEKA

Advisor: Professor Daniel Kitaw

Co-advisor: Ato Wogene Tesfaye (PHD Candidate)

A Thesis Submitted to the School of Graduate Studies of Addis Ababa Institute of Technology in
Partial Fulfillment of the Degree of Master of Science in Mechanical Engineering- Industrial
Engineering Stream.

March 2018

ADDIS ABABA UNIVERSITY INSTITUTE OF TECHNOLOGY

DEPARTMENT OF MECHANICAL ENGINEERING

INDUSTRIAL ENGINEERING STREAM

**IMPROVEMENT OF SERVICE QUALITY IN
ETHIOPIAN HOTEL INDUSTRY**

BY MAHEDER TEKA

APPROVED BY BOARD OF EXAMINERS

CHAIRMAN, DEPARTMENT GRADUATE
COMMITTEE

PROFESSOR DANIEL KITAW

SIGNATURE

DATE

ADVISOR

ATO WOGENE TEFAYE (PHD CANDIDATE)

SIGNATURE

DATE

CO ADVISOR

SIGNATURE

DATE

INTERNAL EXAMINER

SIGNATURE

DATE

EXTERNAL EXAMINER

SIGNATURE

DATE

A Thesis Submitted to the School of Graduate Studies of Addis Ababa Institute of Technology in
Partial Fulfillment of the Degree of Master of Science in Mechanical Engineering- Industrial
Engineering Stream.

Abstract

This research aims to study the service quality management system in hotels in Addis Ababa. The reasons for doing this research are the growth of the hotel business, the increase of flow of tourists, and the increase of economic importance of the sector, which in turn requires the sector to give a competitive, and standard service quality. The major questions to be addressed are the quality management system of hotels, major problems in the hospitality industry methods to apply to improve the service quality. To find the answers the researcher selected 17 star hotels from 2-stars located in Addis Ababa. The researcher distributed questionnaires that focus on service quality management system in the selected hotels. The researcher found out that there is lack of service quality management, evaluation and monitoring system. Also, the hotels don't have system to trace the service quality problems and complaints placed by customers to solve them and make improvement in their quality management system. The findings were that there are problems with having proper quality methodology management systems that the employees are fully aware of, fully trained on, and having the full capacity to implement them. The implications of these results for the hotel sectors are to know the roots of the service quality problems in the hotel sector, they will help hotels to know on which problems to focus on and improve their quality management systems based on the findings and achieve a better customer satisfaction.

Declaration

I Maheder Teka hereby declare that this project entitled “**Improvement of Service Quality in Ethiopian Hotel Industry**” is my original work and contains no material or work previously written or published by any other individual and to the best of my knowledge, it has not been used as the basis of degree or diploma awards at a University or at any other institution of higher learning, except for the references acknowledged in the thesis.

.....

Maheder Teka

.....

Date

This is to certify that the above declaration made by the candidate is correct to the best of my knowledge

.....

Professor Daniel Kitaw

.....

Date

.....

Ato Wegene Tesfaye (PHD Candidate)

.....

Date

Acknowledgement

I would first like to thank my thesis advisors Professor Daniel Kitaw and Ato Wogene Tesfaye without whose guidance and support the completion of this paper wouldn't have been true. I would also like to thank Ato Fasile Endale from the Ministry of Culture and Tourism for providing primary information that was very useful input for the paper.

I would also like to thank all the managers and staff of the different hotels who assisted me in data collection by filling out questionnaires.

Finally, I must express my profound gratitude to my husband and all my family members for providing me with unfailing support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis.

Table of Content

Table of Content	vi
List of Figures.....	viii
List of Tables	ix
Chapter One	1
1.1 Introduction and Background of the Research.....	1
1.2. Problem Statement.....	3
1.3. Research Objectives.....	4
1.4. Significance of the Study	4
1.5. Scope of the Study.....	4
Chapter Two: Literature Review	5
2.1. Service Industry	5
2.1.1. Characteristics of a Service Industry	6
2.1.2. Design of Service Company	7
2.2. Quality	8
2.2.1. Quality in manufacturing and service	10
2.3. Service Quality	11
2.3.1. Elements of Good Service Quality	11
2.3.2. Quality Improvement Approaches	12
2.4. The Hotel Industry.....	17
2.4.1. History of the hotel Industry	17
2.4.2. Hotel Industry in Ethiopia	19
2.4.3. Current status of the Hotel Industry in Ethiopia	21
2.5. Hotel Industry and Quality	24
2.5.1. Tools Measuring Quality Service in the Hospitality Industry.....	25
2.5.2. Mechanisms for Quality Recognition in the Tourism and Hospitality Services	27

Chapter Three: Research Methodology	31
3.1. Sources and Method of Data Gathering.....	31
3.2. Population and Sampling.....	32
3.3. Selection of Research Setting	33
3.4. Methods of Data Analysis	33
Chapter Four: Results, Analysis and Discussions.....	34
Chapter Five: Conclusion and Recommendations	50
5.1. Conclusion	50
5.2 . Recommendations.....	50
6. Reference.....	52
Annex.....	55

List of Figures

Figure 1: Six steps re-engineering composes.....	13
Figure 2: Six Sigma Process.....	14
Figure 3: Baldrige Criteria Framework- A system’s perspective	29
Figure 4: Existing service quality process.	40
Figure 5: Complaints of customers registered.....	41
Figure 6: Complaints of customers analyzed.....	41
Figure 7: The top management supports the improvement of service quality.....	42
Figure 8: There are resources committed to quality.....	42
Figure 9: Workers are recognized for their commitment to deliver quality service.....	45
Figure 10: There is high degree of customer satisfaction in the service the hotel delivers.....	43
Figure 11: The quality delivered and the money paid by customers to get the service are equivalent....	44
Figure 12: There is clear specification about the quality of service to be delivered to customers.....	44
Figure 13: There is no gap between the service quality specification and the actually delivered one.....	45
Figure 14: The hotel gives sufficient training to its employees about service quality.....	46
Figure 15: There is no gap between the service quality specification and the actually delivered one....	46
Figure 16: The service quality delivered to customers is consistent.....	47
Figure 17: There is continuous improvement of service quality in the hotel.....	47
Figure 18: Recommended solution to improve service quality and customer satisfaction.....	48

List of Tables

Table 1: Dimensions of Manufacturing and Service companies.....	11
Table 2: Types of waste in manufacturing and service.....	15
Table 3: Lean service companies and their results with lean principles.....	16
Table 4: Arrival of tourist at Ethiopia’s national borders, by purpose of visit (2007 to 2011).....	20
Table 5: Star rating category of hotels in Addis Ababa.....	22
Table 6: Determinants of service quality.....	24
Table 7: Samples from star hotels.....	32
Table 8: Selection of sample target population.....	33
Table 9: Demographic characteristics of respondents.....	34
Table 10: Information of respondents about their work position and relative experience.....	35
Table 11: Star rating of the hotel the respondents work in.....	38
Table 12: Mean values of respondents on responsiveness.....	37
Table 13: Mean values of respondents on responsiveness.....	37
Table 14: Mean values of respondents on assurance	48
Table 15: Mean of responses to existing service quality management practices	39

Chapter One

1.1 Introduction and Background of the Research

Tourism has become one of the major international trade categories and the export income generated by international tourism currently ranks fourth after fuels, chemicals and automobile products. It has become one of the main income sources and the number one export category creating much needed employment and opportunity for development. The tourism service comprises of hotels & other lodging services, food & beverage provision, tour operation & travel agency and tourist guide services. Some of the supporting resources for providing successful tourism industry are general infrastructure, quality of services, hospitality and accessibility of destination.

The hotel industry is considered as one of the oldest commercial enterprises in the world. A hotel provides food, beverage, accommodation, entertainments and additional services to guests. The providence of good service in a hotel depends on the cooperation of the different working departments that are basically categorized as operational and administrative departments (Web, 2010). The operational departments include the front office, food & beverage service, housekeeping and food production or kitchen while the administrative departments include the maintenance, accountant, human resource, IT, communication, security, purchase, stores and sales & marketing. Being founded on the principle of being hospitable, the most pressing challenge in the hotel industry is the ever-increasing demand of customers for service quality. The long-term success of the tourism sector is dependent upon the reputation of an organization about its hospitality and service quality standard (Hubbard, 2004). With the industry becoming a highly competitive business, the market share, profitability, customer satisfaction and loyalty can be greatly affected by the provision of quality service (George, 1998).

Organizations that give the same type of service might be clearly unlike in the quality of the service they deliver. Customers' assess service quality by comparing what they expect with the service that was actually delivered. Their expectation might include aspects such as tangibles which can be physical facilities, equipment, appearance of personnel... etc., reliability which is the ability to perform the desired service dependably, accurately and consistently, responsiveness which relates to the willingness to provide prompt service and help to customers, assurance which is employees'

knowledge, courtesy, and ability to convey trust and confidence; and empathy that is the provision of caring, individualized attention to customers (Leonard L.Berry).

As we are all witnesses, the service quality delivered in our country in so many instances is not consistent, that is an organization's employees' and its managers take the quality of service they deliver seriously only in the first few months the place starts its service, then we see the way they treat customers, the appearance of the service givers, the cleanliness of the environment, the attitude of the service providers, and the overall condition decreasing through time. And the other condition management and employees give attention to service quality is when mandatory situations arise, when a boss or someone in control is nearby.

It is true that Ethiopians are hospitable, that the people are kind and generous and friendly but we have a poor quality culture in ways such as going extra mile to please our customers. Mostly we don't acquire the professional attitude of a service giver in the areas of keeping our promise, being sincerely interested in solving customer's problems, responding to customer's requests promptly, willing to help customers and understanding that customers are paying to get the services or in the reverse we are being paid to give the required service, not keeping customers on hold, having the required information to serve customers, treating customers with respect and politeness, treating customers equally and taking their needs seriously, having clean appearance and environment, having a serving and inviting attitude and personality and others.

Analyzing the service a company delivers in the view of quality management system helps to identify areas with a need of improvement. With a proper application of quality management approach, an organization will be able to reduce wastage, improve process control, increase its market share, lower operation costs, facilitate training, meet customers' expectation and equip employees. In addition it will be able to plan, control, measure, and analyze its service quality in quantitative ways. This paper focuses on hospitality industry because of the rapid growth of the industry, due to its contribution to economy of the country and competition within this specific sector is increasing and improved service quality is essential for the sustainability of the business in the future.

Therefore in this research it is tried to identify the specific service quality problems of hotel management, employees and the entire system. And necessary recommendations and systems for improvement are proposed.

1.2. Problem Statement

The market of hotel industry is closely linked to the tourism industry because majority of consumers come from international tourists (H.Gudeta, 2013). Ethiopia has become the meeting place for the economic, political figures of the continent of Africa, seat of the headquarters of the African Union, seat of the United Nations Economic Commission for Africa and other operational activities and specialized agencies of the UN. This and other factors have created a demand for good accommodations with higher quality standards that in turn is attracting a number of local and foreign investors with the result in the boom of the hotel industry. According to a recent article, currently Addis Ababa has around 110 hotels with nearly 5000 rooms. The sector's contribution to the gross domestic product equaled to 14.5 billion Br and it has registered growth of 43.3 %, on average over the past five years.

Quality problems can be caused by different factors that take place in the service cycle. Few of the factors include the failure to identify customer's expectations, inability to meet the identified expectation, unwillingness to meet the requirement, absence of clear line of instructions or standards, inadequate support from management, inefficient support services and others. "Identification of service quality attributes aids in the design and delivery process and assist in the process of satisfaction of customer requirements", according to O'Neill and Hubbard's article (Hubbard, 2004).

With the light of the above background there appears to be some questions whose answers need to be researched for the improvement of the service quality in Ethiopia's hotel industry.

1. How do managers and workers perceive service quality and its different parameters?
2. What are the major service quality problems in the hospitality industry?
3. What are the current quality practices of hotels?
4. What methods should the Ethiopian hotel industry apply to improve its service quality?

1.3. Research Objectives

The overall purpose of this study is to assess the current service quality level in hotels in Ethiopia and to put to study different quality methods that can be appropriate for its improvement.

Specific Objectives

- To assess the service quality level of hotels
- To assess the understanding of owners and employees about service quality
- To find out the current service quality working procedures
- To suggest quality tools and applications which can be implemented in the hotel industry

1.4. Significance of the Study

This study is relevant to the hotel industry as a whole. It will add significantly on the literature about the specific area of the study. It addresses some of the service quality problems and their initiators in the hotel sector. In the research there are findings about the general implications of quality of service and it will help in giving proper recommendation for hotel facilities about appropriate quality management system to use, service quality improvement methods, trainings and areas of improvement to acquire maximum customer satisfaction. The research is significant to show the need of change in people's perception of service quality help them make a change of attitude.

1.5. Scope of the Study

The study focused its research and analysis on the quality of service given by hotels in Addis Ababa. As mentioned above star hotels in Addis Ababa were addressed based on statistical sampling. Workers in the business, from top to the bottom level of the hotels' employees, from support staffs to staffs with direct communication with customers were used as information source. The issue that was researched includes the service quality management system, knowledge of service quality of workers, management support and commitment, quality attributes in the service given process and other related issues.

Chapter Two: Literature Review

The Co- founder of Walt Disney Company, which is the world's second largest broadcasting, and cable company, Walt Disney, had an edict that says, "Give the public everything you can give them". The company has never lost sight of this simple statement, and for more than 80 years this singular pursuit of excellence in delivering consistent quality services has earned the Disney organization a world-renowned reputation and ongoing business success. The organization was able to develop its own service quality culture, to design quality service standards and processes to raise the level of customer satisfaction, to create metrics to gauge the needs, perceptions and expectation of its customers, to enable its employees, settings and processes to convey its quality service commitment and implement a strategic plan for monitoring the delivery of seamless customer experiences (www.disneyinstitute.com).

In this literature review, a theoretical discussion of the major idea of the research will be made as a foundational understanding about service quality, hospitality industry and service quality in hospitality industry. Therefore, the above will be discussed in a procedural way.

2.1. Service Industry

Currently, the Western world's largest and also the fastest growing economy is the service economy. Service sector is accounted for more than 50% of GDP of many industrialized countries over the past few years. In 1991 the World Bank stated that in 1989 the service sector accounted for 69% USA's, 60% of Frances, 62% of UK's, 60% of German's and 56% of Japan's GDP. It was accounted by the ministry of finance and economic development, from the economic growth that was incurred in Ethiopia in the year 2011-2012 4.9% is in the agricultural sector, 13.6% in industry and 11.1% in the service sector showing that the service sector has great portion with relating to Ethiopia's growth. These facts prove that the service sector is becoming an important part the development of the world's economy.

Service sector is what is called the tertiary in the economic sector, with the secondary being the manufacturing sector and the primary agriculture. The end product of the service sector is intangible goods unlike the manufacturing, which are products. The focus of service is on people interacting

with people and serving them which is different from manufacturing whose focus is on physical transformation of goods. The service sector may involve

- The provision of service to other business customers
- Transportation and distribution and sales of goods
- The provision of service such as entertainment
- Service sector in many economies embraces a diverse and complex range of organizations and enterprises including:
 - National and local government: Education, health, social security, police, the military, transport, legal, information and credit
 - Non-profit: Charities, churches, research foundations, mutual societies and art foundations
 - Profit private sectors: Utilities, hotels, airlines, architects, restaurants, solicitors, retailers, entertainment, banks, insurance companies, advertising agencies, consultancy firms, market research companies, and communications.

2.1.1. Characteristics of a Service Industry

Service companies make their business correspondence usually by selling directly to the customer. Which brings the service company into multiple contact with large numbers of consumers, giving rise to huge number of individual transactions bringing various impact on human beings. Direct contact with customer brings direct feedback and also it can also create uncomfortable atmosphere for the customer. Some of the unique characteristics of service companies are:

Intangibility: Since services are not tangible like goods, a service buyer or customer cannot see, touch, hear, smell or taste it, it isn't physical (Team, 2011). Although services can be consumed and perceived, they cannot be measured easily and objectively, like manufacturing products (Laureani, 2012). In addition services are performances rather than objects (A. Parasuraman V. A., 1985)

Perish ability: Services are delivered at a certain time, and cannot be postponed further. In addition, once the service has been used, it cannot be reversed and reused again. (Boundless). They are delivered simultaneously to their demand and thus cannot be inventoried and contain too much 'work in process' (Laureani, 2012).

Inseparability: While goods production and supply time can vary, in the contrary they occur at the same time in service. Contrary to manufacturing, the consummation and delivery takes place at same time.

Heterogeneity/Variability: Changing conditions can make each service a unique event (Laureani, 2012). Similar services that might be conducted using the same procedure and system might be different from one another (Team, 2011).

2.1.2. Design of Service Company

In the design of service organizations, one distinctive characteristic over manufacturing is that they cannot be inventoried (Kapiki S. , 2012). In services we must (with few exceptions) meet demand as it arises. The service provider should plan its capacity so that customers should get what they want when they need it. Service strategy begins by selecting the operating focus-the performance priorities by which the service firm will compete. These include

- Treatment of the customer in terms of friendliness and helpfulness
- Speed and convenience of service delivery
- Price of the service
- Variety of services
- Quality of the tangible goods that are central to or accompany the service.
- Unique skills that constitute the service offering, such as hair styling, brain surgery or piano lessons.

When we see the service focus of some well-known companies, most of them choose to compete on relatively few dimensions. For example eBay's service focus is on speed/convenience, price, variety, and unique skills/tangibles, Marriot Corporation's (A hospitality company that manages and franchises a broad of hotels and related lodging facilities) is treatment and Disneyland's focus is on treatment, quality, unique skill/ tangibles. Service industries have some added aspects in the quality of design other than that of manufacturing even though both share the need identification, designing and preparing specifications. The design of services is made to order designs and design for customer wellbeing (J.M.Juran).

2.2. Quality

It is said that industrial revolution was a major boosting reason for the rise of quality. Until the early 19th century, manufacturing in the industrialized world tended to follow this craftsmanship model. The factory system, with its emphasis on product inspection, started in Great Britain in the mid-1750s and grew into the Industrial Revolution in the early 1800s. Before the industrial revolution, the inspection of quality was built into manufacturing and workers and craftsmen used to inspect their own products. In the early 20th century, manufacturers began to include quality processes in quality practices. After the concept of scientific management in which Frederick W. Taylor showed that workers are responsible for quality, inspection and differentiating good products became the work of a dependent section called quality control. The beginners of modern quality assurance such as Walter Shewhart, Harold Dodge, George Edwards, and others introduced new quality control techniques that helped for improving quality.

After the United States entered World War II, quality became a critical component of the war effort: Bullets manufactured in one state, for example, had to work consistently in rifles made in another. The armed forces initially inspected virtually every unit of product; then to simplify and speed up this process without compromising safety, the military began to use sampling techniques for inspection, aided by the publication of military-specification standards and training courses in Walter Shewhart's statistical process control techniques.

The birth of total quality in the United States came as a direct response to the quality revolution in Japan following World War II. The Japanese welcomed the input of Americans Joseph M. Juran and W. Edwards Deming and rather than concentrating on inspection, focused on improving all organizational processes through the people who used them.

By the 1970s, U.S. industrial sectors such as automobiles and electronics had been broadsided by Japan's high-quality competition. The U.S. response, emphasizing not only statistics but also approaches that embraced the entire organization, became known as total quality management (TQM). By the last decade of the 20th century, many business leaders considered TQM a fad. But while the use of the term TQM has faded somewhat, particularly in the United States, its practices continue. In the few years since the turn of the century, the quality movement seems to have matured beyond Total Quality. New quality systems have evolved from the foundations of Deming, Juran and the early

Japanese practitioners of quality, and quality has moved beyond manufacturing into service, healthcare, education and government sectors

The word “Quality” is often used, but not often defined. You will find a variety of usages in any dictionary but, for our purposes, a “degree of excellence” is the closest. Quality can be good or bad, or somewhere in between. Where a product or service is being provided, the end result is largely based on workmanship. A craftsman takes great pride in producing something with flawless features.

The accuracy of an effort, whether it is for data collection or training material presentation, results in a perceived level of quality for the effort – good or bad. There is little value in poor quality (Basic of Quality Assurance, 2008).

Quality has been defined in different ways by various academicians and organizations. Most of these definitions are related to the ability of a product or service to satisfy required needs, to meet the intended function, to conform to given specifications and to function according to the price paid for purchase. Other than the product or service itself there are additional factors that contribute for defining quality the first factor is the support services that come with the product or with the service which could be the people providing the product or service, their attitude, the processes, and the organizational environment associated with it. The second factor is the psychological criteria which is a subjective definition that focuses on the judgmental evaluation of what constitutes product or service quality. The other contributing factors can be the atmosphere of the environment, and the perceived prestige of the product. The definition of quality depends on the role of the people defining it. Most consumers have a difficult time defining quality, but they know it when they see it. For example, although you probably have an opinion as to which manufacturer of athletic shoes provides the highest quality; it would probably be difficult for you to define your quality standard in precise terms. Also, your friends may have different opinions regarding which athletic shoes are of highest quality. The difficulty in defining quality exists regardless of product, and this is true for both manufacturing and service organizations.. Further complicating the issue is that the meaning of quality has changed over time.

Today, there is no single universal definition of quality. Some people view quality as “performance to standards. “Others view it as “meeting the customer’s needs” or “satisfying the customer.” Let’s look at some of the more common definitions of quality.

- **Conformance to specifications** measures how well the product or service meets the targets and tolerances determined by its designers.

- **Fitness for use** focuses on how well the product performs its intended function or use.
- **Value for price paid** is a definition of quality that consumers often use for product or service usefulness. This is the only definition that combines economics with consumer criteria; it assumes that the definition of quality is price sensitive.
- **Conformance to specifications** measures how well the product or service meets the targets and tolerances determined by its designers.
- **Fitness for use** focuses on how well the product performs its intended function or use.
- **Value for price paid** is a definition of quality that consumers often use for product or service usefulness. This is the only definition that combines economics with consumer criteria; it assumes that the definition of quality is price sensitive.

2.2.1. Quality in manufacturing and service

To tackle the quality problems in manufacturing industry, a lot of researches were done for the past three to four decades which has helped the world in the identification and successful application of various quality control methodologies, such as process capability, the Pareto principle, quality cost analysis, statistical methodology and others. (J.M.Juran). Manufacturing organizations produce tangible products that can be seen, touched, and directly measured. Shoes, cars, clothing items, and TV can be examples of manufactured products. The service manufacturers on the other hand produce intangible products that can be experienced at the time of the service exchange. Example for service products can be airlines, banks and hotels. Dimensions of manufacturing and service organizations differ and are based on their characteristics. The dimensions of manufacturing products are conformance to specifications, performance, reliability, features, durability and serviceability. Service products have dimensions that relate to the tangible factors of the products, consistency of the service, responsiveness, courtesy and friendliness of the service giving staff, timeliness and promptness of the given service, and the atmosphere of the service giving area

Table 1: Dimensions of Manufacturing and Service Companies

	Dimensions of manufacturing companies	Dimensions of service companies
1.	Conformance to specifications	Tangible factors of products
2.	Performance	Consistency
3.	Reliability	Responsiveness
4.	Features	Courtesy and friendliness of personnel
5.	Durability	Timeliness and promptness
6.	Serviceability	Atmosphere of the service giving area

Service and manufacturing sectors differ in their operation process, customer needs, measurement and evaluation and their indicators of quality.

- Operation process: In manufacturing products produced in slow seasons can be stored for high demand seasons, whereas service must be delivered on time and cannot be stored with quality issues to be dealt with on the spot and on time.
- Different customer needs: Once the specifications are determined and product is designed, product quality is controlled by producers during manufacturing process whereas service produces and consumers are each involved in both the operation and delivery process.
- Measurement & evaluation: Manufactured products are tangible and visible making measurement of quality easy. Services are intangible and invisible and are difficult to measure and depend upon the perception of customers.
- Indicators of quality for service and goods: Dimensions of quality for physical goods are performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality. Dimensions of service quality are tangibles, reliability, responsibility, responsiveness, assurance, empathy (A. Parasuraman V. A., 1985)

2.3. Service Quality

2.3.1. Elements of Good Service Quality

The critical elements of *service quality* (Bergman and Klefsjö, 1994) are:

- Reliability, the consistency of service. This is often seen to be the most important part of service quality.
- Responsiveness, willingness to help the customer.

- Assurance, sufficient competence to perform the service, courtesy of supplier's behavior, credibility of supplier, and security (low risk) of the service.
- Empathy, ease of access to the supplier, effective communication between customer and supplier.
- Tangibility, the physical environment in which the service is provided. This is often the least important part of service quality

2.3.2. Quality Improvement Approaches

Quality improvement approaches are systems that are used to improve quality delivered to customers. Approaches that are applicable to a certain workplace are introduced and adopted the current quality management system. Different quality improvement approaches have been applied and found successful in different industries such as financial services, healthcare, food industry, education, supply chain management, hotels, airlines, government agencies ... etc. Below are four of the quality improvement approaches explained

I. Business Process Re-engineering (or Redesign)

The purpose of business process re-engineering (BPR) is to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors. By fundamental rethinking it means going over what is being done in production and why the way it is done is important. The implementation of BPR might require the change of the entire technological, human and organizational dimensions. The processes that are required to produce a product or service will be thoroughly analyzed and redesigned to achieve the required improvement in certain areas like cost, quality, service and speed.

Business composes of the inputs of information or materials, the processing of the information or materials and the final outcome. BPR gives emphasis to the processing step to bring the improvements (BOGDANOIU). BPR devises new ways of organizing tasks, organizing people and redesigning IT systems so that the processes support the organization to realize its goals (Lindsay, Downs & Lunn, 2003; Vidovic & Vuhic, 2003).

The steps that RE-engineering composes are displayed in the following diagram (Tavmergen, 2001)

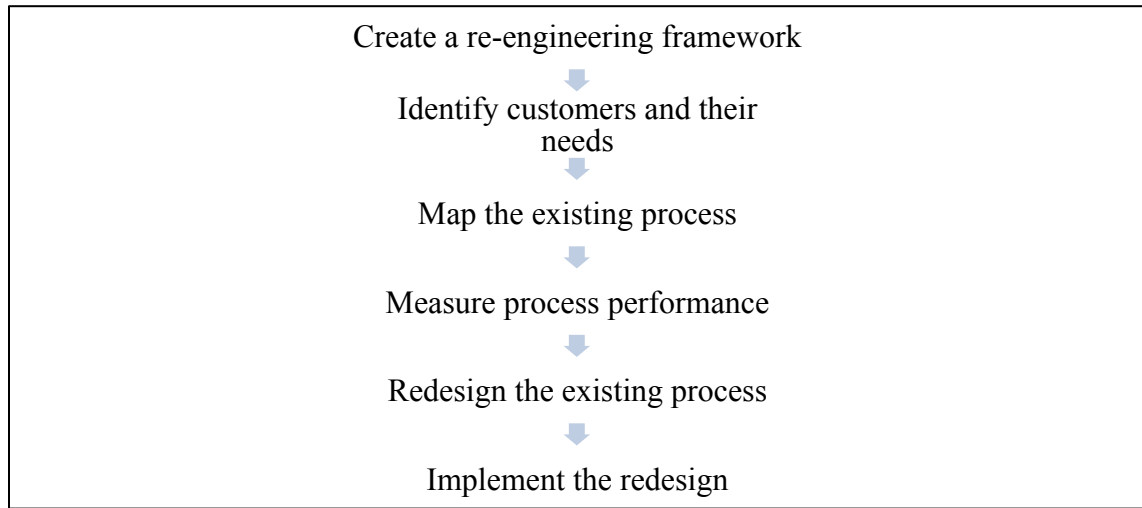


Fig 1: Six steps re-engineering composes

II. Six Sigma

The Six Sigma has emerged in 1990s as a registered trademark and service mark of Motorola, INC. as a business process improvement approach that seeks to find and eliminate causes of defects and errors, reduce cycle times and cost of operations, improve productivity, achieve higher asset utilization and better meet customer expectations. (Lichman, 2007) It focuses on improving quality, productivity, cost and profitability. Six Sigma aims to reduce the variation that is caused in production and meeting the specification and tolerance requirement of a product. The fundamental objective of the Six Sigma methodology is the implementation of a measurement-based strategy that focuses on process improvement and variation reduction through the application of Six Sigma improvement projects. To achieve Six Sigma, a process must not produce more than 3.4 defects per million opportunities. A Six Sigma defect is defined as anything outside of customer specifications. This is accomplished through the use of DMAIC. The Six Sigma DMAIC processes (define, measure, analyze, improve, control) is an improvement system for existing processes falling below specification and looking for incremental improvement. (www.isixsigma.com)The Six Sigma cause in an organization is lead by trained and certified personnel that are well versed in the utilization of the tools and methods. As in karate, the expertise and authority of Six Sigma trained personnel is signified by the belt system. (M.Lancaster, 2011)

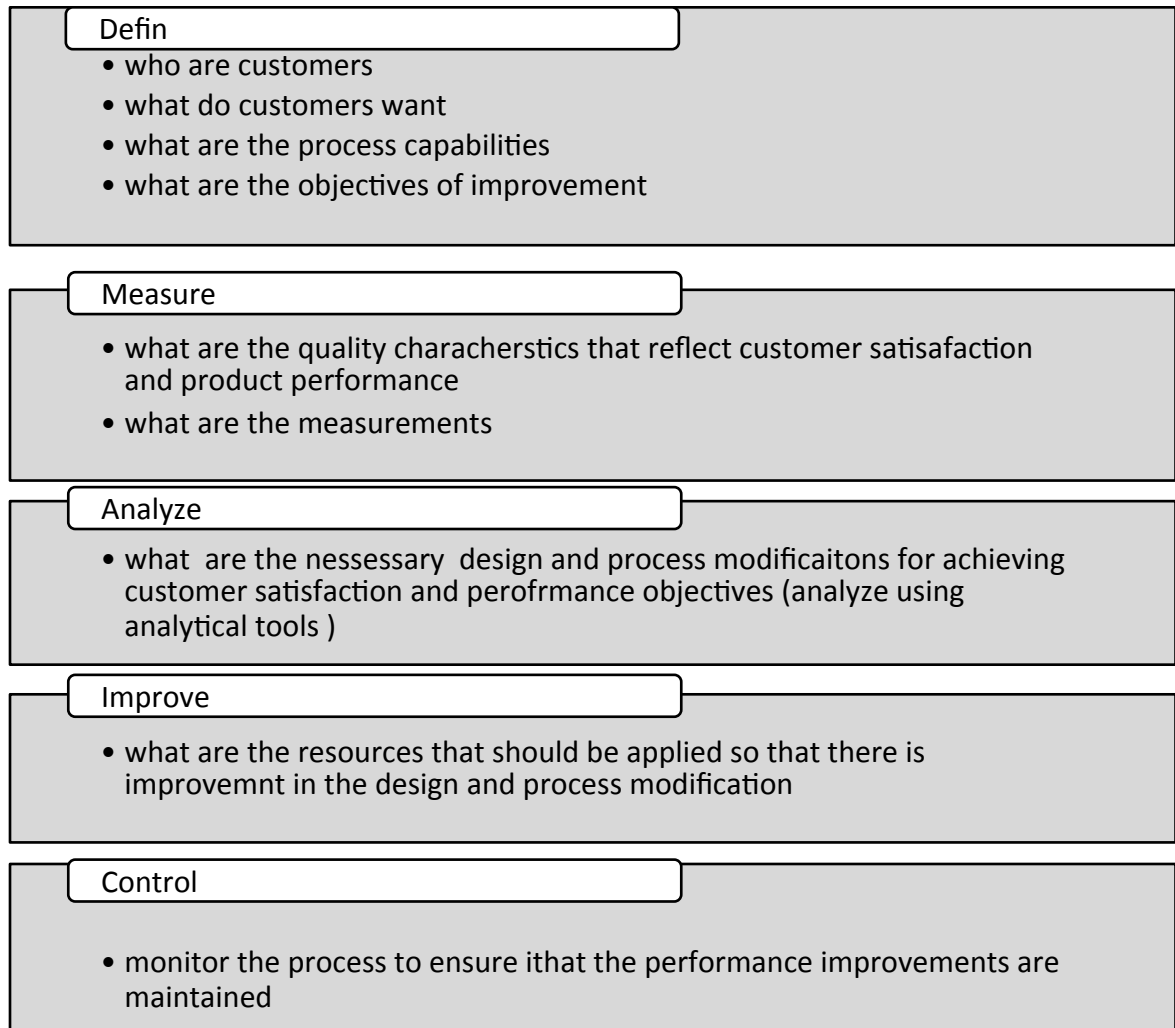


Figure 2: Six Sigma Process

After initial success in manufacturing organizations, Six-Sigma has gradually gained traction in service organizations. Several studies have shown successful cases of Six-Sigma application in service organizations such as financial services, hospitals, food industry, education, supply chain management and hotels and airlines. (Kamar, 2014)

2. Lean Philosophy (lean thinking, lean manufacturing or Toyota Production System)

Lean philosophy was derived from the Toyota Production System. It focuses on the elimination of anything doesn't add value to the production of a product or service, "waste", or 'muda' in Japanese, along the entire process and create more value for customers (David Arfmann, 2014).

In lean, processes that don't add value to a product or service are eliminated by determining if the customers pay for that process or not without affecting the end product or service. A value stream

map is used to visually lay out processes step by step and identifying the non-value added steps. The other tool implemented in Lean is 5S and is used for having an organized workspace. (Kamar, 2014) Five S is named after the 5 words that start with the letter “s” in Japanese seiri, seiton, seiso, seikestu, and shitsuke which can be translated in English as sort, straighten, shine, standardize, and sustain. These are a list of methodologies used to organize work place for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items and sustaining the new order. The other tools and techniques that are used in the implementation of lean, that are also referred as the lean “building blocks”are Poka-Yoke, Cellular Design, Quick Changeover, Pull scheduling and Kaizen. Finding its origin in manufacturing, 5s is now being applied in health care, education, government, and many other industries (en.m.wikipedia.org). The seven wastes that Lean strategy tries to eliminate are overproduction, inventory, time/waiting, transportation, process, motion, and defects. The following table demonstrates the seven wastes in lean in manufacturing and service view.

Table 2: Types of waste in manufacturing and service

S/N	Seven types of waste	In Manufacturing	In Service
1.	Overproduction	Producing before order is placed	-
2.	Inventory		
3.	Time/waiting	A time wasted on production	A customer waiting for a service to be delivered
4.	Transportation	Unnecessary movement of work in process that doesn't add value	-
5.	Processing	Processes that don't directly add value to the product	Processes that don't directly add value to the service
6.	Motion	Unnecessary movement of operator/operator's hand to accomplish a task away from the workstation	Unnecessary searching for necessary data to provide the service demanded
7.	Defects	Repetitive and costly manufacturing	Error in the service

		defects/ reworking or discarding of defective products	transaction
--	--	--	-------------

Even though there are service companies that were successful with implementation of lean to their business strategies there are arguments that the complete application of lean or direct transfer of its principles to service might not work because of the many difference in manufacturing and service’s demand, characteristics in inventory, processing, and others (David Arfmann, 2014). Some of the lean service companies and their results with lean principles have been summarized in the following table (Higor dos Reis Leitea*, 2013)

Table 3: Lean service companies and their results with lean principles (Higor dos Reis Leitea*, 2013).

Company	Improvements Obtained Using Lean Service
Taco Bell	One of the first companies on record to apply lean service and solve its “tradeoffs” between efficiency with low cost operations and flexibility.
Southwest Airlines	Elimination of services costs, flow and speed of service delivery, and creation of a service experience for customers
Wal-Mart	Eliminated the need to hold the stocks in the back of the store or in a warehouse.
MC Donald’s	Developed processes to ensure quality
Disney theme Parks	Developed processes to ensure quality.
	Reduction of trade-offs of performance combining flexibility and efficiency, reduced processing

3. Total Quality Management

TQM was introduced by a number of professionals who were striving to find a better means of organizational management. Few among the contributors were Drucker, Juran, Deming, Ishikawa, Crosby, and Feigenbaum. As defined in a literature “Total Quality Management (TQM) refers to management methods used to enhance quality and productivity in business organizations. It is a comprehensive management approach that works horizontally across an organization, involving all departments and employees and extending backward and forward to include both suppliers and clients/customers.

TQM is characterized by the focus it gives to identifying root causes of quality problems and correcting them at the source. TQM encompasses the entire organization, tries to incorporate quality in every aspect of the organization. The specific concepts that make up the philosophy of TQM are customer focus (Identifying and meeting customers' needs), continuous improvement (improving the processes and procedures continuously), employee empowerment (training of employees), use of quality tools, product design (products as customers requirement), process management (noticing and solving quality problems on the process) and managing supplier quality or relating quality concepts with suppliers (Total Quality Management). It is after manufacturing organizations successfully implemented that service organizations dared to execute TQM to improve their business process (Faisal Talib, 2012).

2.4. The Hotel Industry

A hotel is a place that temporarily provides services to individuals and organizations. Services such as bedroom, catering, meeting rooms, multipurpose assembly hall, swimming pool, spa (hot spring), gymnasium, sauna and massage, other sports facilities like tennis or squash court, mini-golf or badminton, bowling, table tennis and children playground, night clubs etc are given in hotels. There are different components in the hospitality industry, these are lodging operations, transportation services, food and beverage operations, retail stores, and activities which include recreations and festivals. But the services might also differ according to the size and functions of the places. Hotels are classified within different categories

- According to size
- According to target markets
- According to level of service
- According to type of ownership and affiliation
- According to reasons for travelling
- According to quality ranking
- According to location

2.4.1. History of the hotel Industry

The history of hospitality dates back to the ancient Greeks, Rome and Biblical times and can be inferred as part of the civilization history. Peoples' need to be hospitable is said to have risen from

either religious or superstitious motives. Also, it was customary to accept and provide accommodation for guests and travelers. The Greeks developed thermal baths for rest and recuperation, later the Romans built mansions as accommodations for travelers and government businessmen. The expansion of traveler accommodations spread with caravanserais along Middle Eastern routes, and also monasteries, abbeys, hospices and hospitals.

The start of the hotel industry is thought to have started when Hotels were required to register around the beginning of the 15th century in France and England. In the 19th century, hotels took over towns. The construction of hotels in mainland Europe, England and America were initiated by the start of the industrial revolution. Hotels started to be established in numerous cities' centers like France, Italy, Japan, India, Boston, New York, Venice, Cairo, Geneva, Switzerland, Zurich, and Munich.

The late nineties witnessed the opening of the grandest hotel of Europe in its dimension, luxury and installation in France, the first hotel providing lifts for guests in New York, the first fire resistant hotel structure in Chicago, the first hotel to provide electricity in all its rooms in the state of New York, the opening of the first school for hoteliers in Switzerland, the Victoria hotel in Kansas City offering bathrooms in every room, the Netherland hotel of New York providing all its guests with their own telephones for the first time, and so many other developments in the hotel industry.

The 20th century, named as the age of prosperity in the hotel industry marked the beginning of new hotels with high status and luxury including the Ritz in Madrid, The Taj Mahal in Bombay and others. Hotels with to wide range of services in their rooms and meal offers, hotels at different places such on mountains, Ski-resorts and beaches, hotels for different purposes such as Casino hotels, holiday hotels, hotels developed by airline companies, hotels for business people flourished everywhere. This era also witnessed the first property management systems and the first administrative hotel management systems.

The decline of the hotel business happened in the 1990s followed by The Gulf War that forced business strategies to become more creative in their marketing strategies. Since 1992, hotels went through renovations to increase their competitiveness, incorporated technologies in their administration, opened chains branches and continents.

The industry's years after 1995 is identified of being the age of 'extravaganza'. Hotels increased to hold luxury rooms, various facilities, excellent service, latest available technology and great aesthetics.

The industry went through a lot of different stages and the lodging facilities have changed from simple accommodations to travelers to places where design of service, infrastructure, and comfort have become major priority and reasons for competition. (hospitalityarticles.blogpost.com)

The increment of the number of travelers to Africa has become the main reason for the development of new hotels. But there is a shortage of internationally branded hotels in the continent.

2.4.2. Hotel Industry in Ethiopia

Hotels in Ethiopia are classified with stars from one to five and hotels without stars according to the international hotel classification system. Ethiopia has numerous hotels throughout the country that provide an excellent tourism infrastructure for the visitor who wants to spend time exploring this remarkable and beautiful country. As with all other countries, standards of accommodation can vary widely in the cities and most of the towns, with hotels in Addis Ababa ranging from five stars to one star. There are good tourist-class hotels along the Historic route and other places of interest, such as Harar, Dire Dawa and the northern Rift Valley lakes area, and in most of the towns in close proximity to the National Parks.

Since the first hotel, Etege Hotel (later Taitu Hotel) built in Ethiopia by Empress Etege Taitu in 1899 there was a slow development in hospitality industry in Addis Ababa as well as in Ethiopia but since the past ten years, the industry has been booming. The supply of hotels in the capital city Addis Ababa has tripled in last three years, even some international branded are expanding their chains here (www.subi2000.com, 2013). It is predicted that the number will keep growing with the increment of the competition. The Ministry of culture and tourism has stated that it aims to include Ethiopia in the top five tourist destinations in Africa by 2020.

The hotel industry, especially classified hotels is closely linked to the tourism industry, because a majority of consumers for the sector services come from international tourists. (H.Gudeta, 2013)According to the United Nations Statistical Commission, tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one

consecutive year and staying at least 24 hours in country visited. The total number of international tourists arriving Ethiopia is steadily increasing. As the gateway of all International inbound, outbound and transit tourists/passengers, Addis Ababa has been taking the Lion's share in the country's tourist arrivals hosting an estimated 95-99% of the total international tourist arrivals.

Table 4: Arrival of tourist at Ethiopia's national borders, by purpose of visit (2007 to 2011)

Purpose of visit	2007	2008	2009	2010	2011
Leisure, recreation and holidays	128,533	99,394	138,070	171,414	183,008
Visiting friends and relatives	26,337	25,482	35,593	28,672	37,116
Business and professional	61,337	64,930	118,890	113,961	141,595
Business	43,455	49,209	71,374	77,816	91,064
Meetings, conferences, congresses	17,882	15,721	47,516	36,145	50,531
Other	95,736	140,351	134,733	154,258	161,719
Transit	58,916	77,572	81,481	84,229	86,020
Not stated	36,820	62,779	53,252	70,029	75,699
Total	357,841	383,399	427,286	468,305	523,438

In the period (2007-2011), on average about 35% of the total number of tourists that have visited the country were for leisure, recreation and holiday's purpose while those who visited the country for business and professional affairs account 23.7% of the total. Regarding the others, transit accounts for 19.2%, visiting friends and relative 7.5% and those who did not stated their purpose account for 14.5% of the total.

According to Ato Zenawi Mesfin's, the General Manager of the Inter-Continental Hotel and Vice Chairman of A.A. Hotels association, discussion with the Ethiopian Herald, the hotel industry in Ethiopia has boomed in the last decade and the government of Ethiopia and the Ministry of

Culture and Tourism are giving close attention to the sector. Still, he discussed that there is great economic benefit to be harvested from the tourism industry in the country and that tourism and hotel industries go hand in hand. As per his explanation, the hotel industry comprises only of 1.6% of Ethiopia's total GDP, and he believes that the tourism industry should contribute to the economy like the agricultural sector (Dereje, 2015).

2.4.3. Current status of the Hotel Industry in Ethiopia

In the last couple of months the grading and accreditation of hotels is being undertaken by the Ministry of Culture and Tourism together with consultants from United Nation World Tourism Organization (UNWTO). Grading of hotels was conducted in 1995 by the former Ethiopian Tourism Commission, again in 2010 and the Ministry of Culture and Tourism has approved a new grading system in 2014 which is being used currently. The hotels' grading requirements and classification has been prepared under the direction of the Technical Committee Hotel and Tourism and published by the Ethiopian Standard Agency. Initially a hotel has to fulfill the entry requirements to be capable of the grading. The general criteria for grading were based on 12 categories which are the building exterior, bedroom, bathroom, public areas, bar and dining facilities, kitchen, housekeeping and maintenance, general services & service, additional facilities, sustainability, safety & security, staff facilities & training. The results of hotels upto 30% is 1 star, 50% 2 star, 60% 3 star, 70% 4 star, 80% 5 star and 90% 5 star grand luxe.(Ethiopian Standard(ES 3808-1:2014)28-05-2015)

The grading involves around 400 hotels in Addis Ababa, Oromia, South, Amhara and Tigray Regions. According to the Ministry of Culture and Tourism, it will benefit the owners to have inputs that will profit their productivity and help them to know the general standards (Aklilu, 2015). In addition, the grading will help to increase the tourist arrival and customer satisfaction, since it requires certain standards to be met to get recognition (Dereje, 2015).

Consequently in the table below, the list of hotels with their star-rating category from the grading that was conducted in the begging of 2015 in Addis Ababa is the table below. From the table, it can be inferred that there are 10 one star hotels, 18 two star hotels, 27 three star hotels, 16 four star hotels and 5 five star hotels with the major concentrated star grading of hotels' of our capital is being found between two star and four star hotels.

Table 5: Star rating category of hotels in Addis Ababa

S.no.	Name of Hotels	No. of Rooms	No. Of Beds	No. Of employees		Star Category
				Male	Female	
1	Addis Regency Hotel	33	41	9	33	3 star
2	Addis View Hotel	18	23	32	46	3 star
3	Adotina Hotel	32	32	49	51	2 star
4	Addissiniya Hotel	58	65			3 star
5	AG palace hotel	19	19	10	10	1 star
6	Ambassador Hotel	123	150	67	65	3 star
7	Aphrodite hotel	52	52	30	35	3 star
8	Ararat Hotel	94	116	54	89	3 star
9	Astara Hotel	45	51	20	27	2 star
10	Axum Hotel	60	72	54	52	2 star
11	Beer Garden Inn	32	36	39	54	3 star
12	Beshale Hotel	64	80	65	70	3 star
13	Caravan hotel	37	37	20	40	3 star
14	Capital hotel	114	114	70	80	5 star
15	Churchill Hotel	53	53	50	43	2 star
16	Crown Hotel	71	110	64	70	3 star
17	Cyan city hotel	40	45	30	30	3 star
18	Debredamo hotel	102	102	83	62	4 star
19	Damu Hotel	20	20	26	24	2 star
20	Desalegne Hotel No.2	25	28	29	35	2 star
21	Destini Addis	33	40	20	14	2 star
22	Dreamliner Hotel	96	110	62	63	4 star
23	Ellele international hotel	155	163	162	138	5 star
24	Ethiopia Hotel	110	151	116	66	1 star
25	Edena Addis Hotel	33	37	22	31	2 star
26	Embilta Hotel	39	49	52	48	3 star
27	Empire Addis inter. hotel	39	39	11	14	2 star
28	Fil wuha hotel enterprise	-	-			1 star
29	Friendship hotel	104	104	40	60	4 star
30	Gate fame Hotel	95	100			4 star
31	Global Hotel	50	70	71	76	3 star
32	Ghion Hotel	190	298	237	224	2 star
33	Golden Tulip Hotel	90	90	-		4 star
34	Grand Yordanos Hotel	128	128	59	62	4 star
35	Haimi Apartment hotel	37	28	19	20	2 star
36	Harmony Hotel	150	176	137	132	4 star

37	Hilton Addis Ababa	400	705	399	210	3 star
38	Homage hotel	20	25	7	15	2 star
39	Intercontinental Hotel	151	190	102	118	4 star
40	Jupiter int. Hotel (kazanchis)	102	112	100	87	4 star
41	Jupiter Int. Hotel (Bole)	40	52	56	44	4 star
42	Kaleb Hotel	64	84	54	66	3 star
43	Kenenisa Hotel	51	51	33	100	1 star
44	King's Hotel	34	54	56	47	3 star
45	KZ Hotel	32	42	29	29	3 star
46	Louver Hotel					2 star
47	Monarch hotel	80	80	30	40	3 star
48	M.N Int. Hotel	91	124	91	124	1 star
49	Marriott Executive Hotel					5 star
50	Nazrawi hotel	24	27	33	44	4 star
51	Nardan Hotel					1 star
52	Nexus hotel	66	66	20	30	4 star
53	Pacific Hotel	45	55	37	43	2 star
54	Panorama Hotel	65	85	45	63	3 star
55	Paramount Hotel	27	27	16	13	1 star
56	Queen of Sheba Hotel	32	56	31	25	2 star
57	Radison Blue hotel	204	235	203	95	5 star
58	Ras Amba Hotel	25	25	38	29	2 star
59	Sarem international hotel	43	62	30	40	4 star
60	Saromaria hotel	87	87	36	43	4 star
61	Semien Hotel	60	65	63	76	1 star
62	Sheraton Addis Hotel	294	323	576	219	5 star
63	Sidra hotel	26	31	15	20	3 star
64	Seyonat hotel	40	50	53	67	3 star
65	Solo Te hotel	35	45	24	40	3 star
66	Soramba Hotel	60	70	27	53	2 star
67	Southern Addis Hotel	40	45			3 star
68	Tegen Guest Accommodation Hotel	32	64	43	52	4 star
69	The residence hotel	18	21	16	20	3 star
70	TDS	25	29	21	28	1 star
71	Three days hotel					1 star
72	Top Ten hotel	48	56	30	42	3 star
73	Trinity hotel	21	27	10	20	2 star
74	Umma Hotel	33	45	24	35	3 star
75	Wassamar Hotel	66	71	57	42	3 star
76	Washington hotel	70	85	82	54	4 star

Source: Ministry of Culture and Tourism (MCT), March 2016

The number of hotels is growing and this is an implication that there is a great demand for its growth. While the number of tourists increases, we have to remember that the service that the country delivers should grow and follow international standards. The guarantee of the increase and true growth lays in the way the sector functions and the growth also should encompass the fulfillment of necessary requirements. Therefore, the quality of the service given in this sector is a major issue for its continued existence and success.

2.5. Hotel Industry and Quality

Quality in the hospitality industry is defined as” the consistent delivery of products and guest services according to expected standards”. The experience of customers is greatly affected by the level of quality they get at their visits. Retaining former customers is far cheaper than gaining new ones. The hospitality industry should be aware of the market and should be willing to improve continuously. Some of the essential factors to be considered for a delivering quality services are: knowledge of the customers that use the service, determination of their needs and expectations, the training given to employees, the control and evaluation of the system and other related issues.

Many researchers believe a lot of factors instead of one; affect the perception of customers about the quality of service they are receiving. The following table summarizes the development of various quality determining factors by different authors. (Johnston, 1994)

Table 6: Determinants of service quality

Authors	Determinants of service quality	Year
Parasuraman	Access, communication, competence, courtesy, credibility, reliability, responsiveness, security, understanding and tangibles	1985
Berry	Tangibles, reliability, responsiveness, assurance and empathy	1985
Johnston and Silvestro	Access, appearance/aesthetics, availability, cleanliness/tidiness, comfort, communication, competence, courtesy, friendliness, reliability, responsiveness and security	1990

Walker	Product reliability, a quality environment, knowledge and skills		1990
Gronroos	Professionalism and skills, attitudes and behavior, accessibility and flexibility, reliability and trustworthiness, recovery, reputation and credibility.		1990
Zemke	Care, concern, spontaneity, problem solving and recovery		1985
Armistead	<p>Firm</p> <ul style="list-style-type: none"> • Time (availability, waiting time and responsiveness) • Fault freeness (physical items, information, advice) and • Flexibility (ability to recover from mistakes, to customize the service or add additional services). 	<p>Soft</p> <ul style="list-style-type: none"> • Style (attitude of staff, accessibility of staff and ambience), • Steering (the degree to which customers feel in control of their own destiny) and • Safety (trust, security and confidentiality) 	1990

2.5.1. Tools Measuring Quality Service in the Hospitality Industry

The reference that is to follow includes some of the most well known models that measure quality service in the hospitality industry.

1. Perceived quality service model

Perceived Quality Service Model is a helpful tool to understand factors that affect customer perceived quality in a company's service. Expected quality is directly influenced by

- The methods of marketing total tourism experience within an enterprise,
- The image created for a tourism product,
- The influence of the “word-of-mouth” advertisement and
- The customer requirements and needs.

2. **The Five Gap Model**

Parasuraman, Zeithaml & Berry's (1994) Quality Service Model is a helpful instrument to define the objectives of quality management. It is basically customer-oriented and it helps to explain the co-service process.

According to this model, consumers' quality assessment will be influenced by a series of five distinct "gaps". In this co-service process Quality Management Systems must attempt to close the five gaps in the model and to improve the quality of service as experienced by means of comparison between expected and perceived quality after the customer has received the service.

3. **The SERVQUAL instrument**

According to Postma & Jenkins (1997), perceived quality needs to be measured, both internally and externally.

Internal measurement refers to the measurement of objective criteria developed and/or posed by the destination organization (technical quality, process quality, functional quality and relational quality - Total Quality Management/ TQM). The research methods that can be applied must also be objective - Attribute-based Methods. The SERVQUAL technique attempts to measure the five main characteristics of tangibles, reliability, responsiveness, assurance, and empathy, corresponding with the gaps 1 to 5 in the gap model respectively. With SERVQUAL, the organizations are able to permanently monitor the internal routine quality service.

External measurement refers to the subjective expectations, needs, wants and experiences of the customer (expected quality, experienced quality, and perceived quality). The research methods that can be applied must also be subjective Incident-based Methods.

4. **The Critical Incident Technique (CRIT)**

Attempts to understand what is happening in the various "moments of truth" and the results are collected from small samples investigated in depth over time. It attempts to provide useful information for the development and the interpretation of the product, the widening of the domain of marketing and the quest for quality improvement. With CRIT, the organizations are able to understand customer problems and resolve them in a flexible way.

5. **Other tools for improvement**

The following are some of the other tools for monitoring quality for the attainment of continuous improvement in the tourism industry.

- *Surveys of satisfaction (questionnaires).*

- *Mystery guest/Mystery shopper*
- *Market*
- *Audit reports*
- *Complaints and incidences*
- *Self-assessments*
- *Benchmarking*

There might be different reasons for the quality problems that occur in service organizations and the method of attaining service quality will differ within all institutions. This measurement tools will help to analyze what best options to take to improve the service quality in the hospitality sector.

2.5.2. Mechanisms for Quality Recognition in the Tourism and Hospitality Services

In order to acknowledge the service quality levels of institutions and to set global standards for it, the hotel sector has developed different quality recognition schemes in the course of time. Some of them are explained below

A. Quality labels

There are various mechanisms aimed at delivering quality in tourism services. The two main reasons for establishing quality labels for accommodation via some form of classification scheme are to: inform consumers, enabling an informed choice to be made that is based on some measure of quality; encourage investment and quality improvement by setting a standard that owners seek to reach and maintain. Two forms of measurement are commonly used: physical measures (e.g. size of rooms) and quality of service

The existing quality standards and labels include:

- **The star classification system (hotels are rated from one to five stars).** Another hotel rating process is that of the American Automobile Association-the AAA Diamond program (hotels and restaurants are rated from 1 to 5 diamonds).
- **The tripadvisor.com,** a travel website with accommodation ratings that are based on consumer opinions as submitted to the site.
- **The International Standards Organization (ISO).** There are several series of standards and some of them can be applied to the tourism sector.

- **Eco-labels** have increasingly been established. The first labels to be developed were originally “green labels”, aimed at improving the environmental management of hotel establishments but have since extended to other sectors of the tourism and travel industry (European Parliament, 2007).

B. The European foundation for quality management (EFQM)

The European foundation for quality management was created to promote a standard approach to management for all organizations operating in Europe to contribute to ensuring sustainable, quality practices. In 1991, EFQM introduced the “EFQM Excellence Model” based on a set of eight fundamental concepts as a framework for organization self-assessment. The main characteristics of EFQM are that it expresses a facilitator and advisor role, it does not deliver certification to companies and organizations, but it awards prizes to best companies. The enabling factors (leadership, people management, policy and strategy, resources and process) are calculated based on introduced, systematic, measurable and on-going improvement system, while the results (people satisfaction, customer satisfaction, impact on society and operational results) are evaluated based on trends, achieved objectives and comparison with other companies in the sector. The weights for the award are based on the following points given to each criterion, leadership (10%), people management (9%), policy and strategy (8%), resources (9%), processes (14%), people satisfaction (9%), customer satisfaction (20%), impact on the society (6%) and business results (15%).

C. The Malcolm Baldrige National Quality Award

The Malcolm Baldrige National Quality Award is the highest level of national recognition for quality that a U.S. company can receive. It is administered by the federal government (National Institute of Standards and Technology, Commerce Department). The award promotes an understanding of quality excellence, greater awareness of quality as a critical competitive element and the sharing of quality information and strategies conducted to assess the performance of the different departments within an organization.

The Baldrige Criteria apply equally to all business sectors, including service organizations, and are compatible with other performance improvement initiatives, such as ISO 9000 and Six Sigma. These organizations serve such diverse groups as luxury hotel patrons, the health care community, restaurant goers, financial customers, the oil industry, etc. (National Institute of Standards & Technology, 2011).

The criteria are given weight based according to leadership (9%), information and analysis (8%), strategic quality planning (6%), human resources development (15%), management of process quality (14%), quality and operational results (18%) and customer focus and satisfaction. The following figure details the system's perspective and interrelationships of the Award criteria.

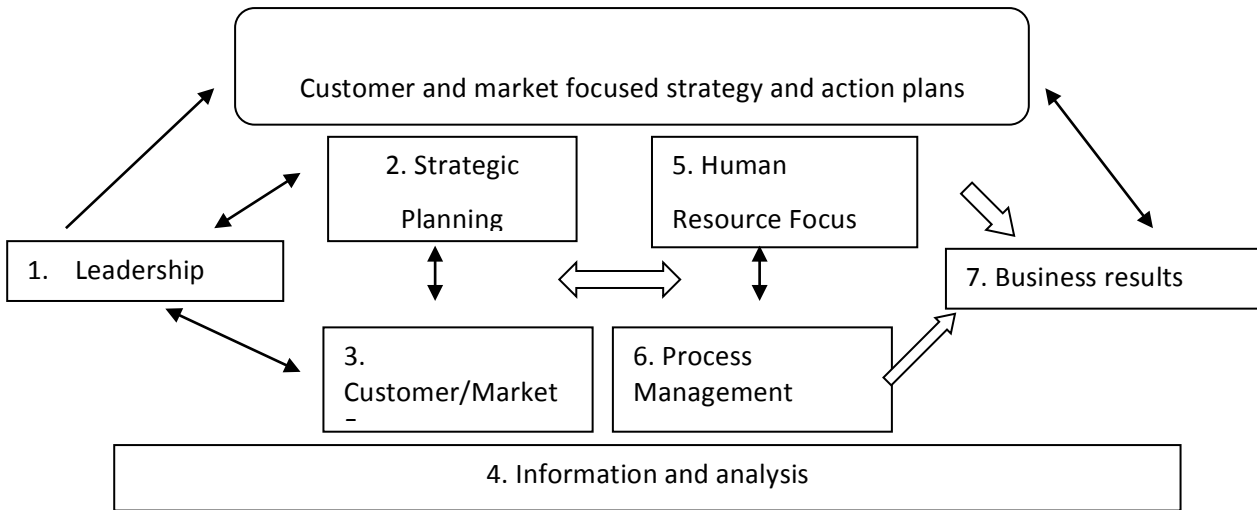


Fig 3: Baldrige Criteria Framework- A system's perspective

D. The Leading Hotels of the World

The Leading Hotels of the World (LHW) is considered to be one of the most significant quality awards. The LHW is a prestigious luxury hospitality organization representing the world's finest hotels and resorts. Headquartered in New York City, the company has more than 450 members in 80 countries and offers the largest collection of luxury hotels, resorts and spas. Leading Quality Assurance is an affiliate quality inspection company providing assessment programs to improve the levels of operating performance of organizations in various industries. Incognito inspections are conducted to assess the performance of the different departments within an organization.

A comprehensive report that details the client's fulfillment of over 1,200 standard points has proven to be an invaluable management tool for improving overall performance of an organization, as well as measuring individual employee performance and the need for capital improvements. The report also benchmarks the individual clients' performance against a database of 1,500 other organizations throughout the world.

Information collected during the inspection process is then stored in a confidential database, and can provide some of the most comprehensive benchmarking data in the luxury worldwide market segment. In turn, clients of Leading Quality Assurance will be able to measure their service

standards against other similar products in a particular destination, country, and region on a worldwide basis (The Leading Hotels of the World, 2011).

Chapter Three: Research Methodology

The paper focuses on assessing the service quality in the hotel sector and tried to determine what the current quality practices are, how managers/workers perceive service quality and its different parameters, the methods of service quality evaluation, monitoring and control, if any, has come up with appropriate tools that Ethiopian hotels can apply to improve their service quality.

The researcher has referred relevant literatures and read about practices of different countries as well as went through other research works and observed the service quality attaining methods followed by them. Next the focus group, that is the specific hotels were sampled out from star rated hotels since this group is the one that hosts international guests mostly. The methods followed to achieve the desired objective are discussed in the following sub-sections.

3.1. Sources and Method of Data Gathering

There are two types of data collection methods, primary and secondary data collection methods that are used to gather the necessary information for conducting a research. Both methods have been used in this research and are explained as follows:

Primary Data:

Self-administered Questionnaire: Questions were prepared both in English and Amharic and distributed to the sampled out population. The questionnaire included only close-ended questions because they are easier to fill in, code, record, analyze and report. Questions were designed according to the Linkert scale and using the SERVQUAL technique which helps to measure the five main characteristics of tangibles, reliability, responsiveness, assurance, and empathy, corresponding with the gaps 1 to 5 in the gap model respectively.

Observations: The researcher undertook observations to gather first hand data on the case. By carrying out observation it was possible to collect data on a wide range of behaviors, to capture a great variety of interactions and to openly explore the evaluation topic and develop a holistic perspective and understanding of the context within which the research operates. In addition the researcher learnt about issues that the participants are not aware of or are unwilling to reveal.

Secondary Data:

To get the secondary data relevant documents such as different books, published and unpublished documents, journals, articles and research papers related to service quality were reviewed.

3.2. Population and Sampling

The total population for the study was taken from hotels in Addis Ababa with stars. According to a document from the Ministry of Culture and Tourism, there are 76 star hotels in Addis Ababa. There are ten 1- star hotels, eighteen 2-star hotels, twenty-six 3-star hotels, sixteen 4-star hotels and five 5- star hotels. The total number of employees from the data is 8233. Using the sampling technique based on Slovin’s formula below, the sample population is 382.

$$n = N / (1 + N e^2)$$

Where n= sample size,

N= total number of population

e= the margin of error, which in this case is 0.5, therefore

$$8233 / (1 + 8233 * (0.05)^2) = 382$$

Using their percentage in the total number of hotels, each star was given an equivalent amount

Table 7: Samples from star hotels

Star	*	**	***	****	*****	Total
Quantity	10	18	26	16	5	76
Percentage in the population	13.3	24	34.7	21.3	6.7	
Sample to be taken	51	92	132	81	26	382

The sample population calculation is also supported by the following table.

Table 8: Selection of sample target population (<https://www.surveymonkey.com/mp/sample-size/>)

Population	Margin of Error			Confidence Level		
	10%	5%	1%	90%	95%	99%
100	50	80	99	74	80	88
500	81	218	476	176	218	286
1,000	88	278	906	215	278	400
10,000	96	370	4,900	264	370	623
100,000	96	383	8,763	270	383	660
1,000,000+	97	384	9,513	271	384	664

3.3. Selection of Research Setting

Selection of an appropriate research setting is one of the requirements that should be considered before starting the study. The required number of hotels was selected depending on the information above.

3.4. Methods of Data Analysis

The data gathered data sources are analyzed and presented with the help of SPSS 17 and using descriptive statistics such as tables, frequency distributions and percentages to give a condensed picture of the information obtained. Finally, the data was analyzed briefly using the theoretical framework of the study to arrive at a meaningful conclusion.

Chapter Four: Results, Analysis and Discussions

This study aims to look on the issue of improvement of service quality in Ethiopian hotel industry. In order to conduct the study and gather firsthand information more than 380 questionnaires were distributed to around 22 hotels. Only 204 questionnaires were returned the others being unreturned due to few hotels being on their busy season, few unwilling to cooperate and the rest uncompleted questionnaires. The sample questionnaire can be found attached in the annex.

Section one: Demographic characteristics of respondents

Table 9: Demographic characteristics of respondents

	Options	Frequency	Percent	Valid Percent	Cumulative Percent
Gender of respondents	Male	110	53.9	54.2	54.2
	Female	93	45.6	45.8	100
	Total	203	99.5	100	
	Missing	1	0.5		
	Total	204	100		
Age of respondents	<25	67	32.8	34	34
	26-35	105	51.5	53.3	87.3
	36-50	22	10.8	11.2	98.5
	>51	3	1.5	1.5	100
	Total	197	96.6	100	
	Missing	7	3.4		
	Total	204	100		
Marital status of respondents	Married	73	35.8	39.5	39.5
	Unmarried	112	54.9	60.5	100
	Total	185	90.7	100	
	Missing	19	9.3		
	Total	204	100		
Educational level of respondents	Primary School	3	1.5	1.6	1.6
	Secondary School	21	10.3	11.1	12.6
	Certificate	44	21.6	23.2	35.8
	Diploma	67	32.8	35.3	71.1
	Degree	50	24.5	26.3	97.4
	Masters and above	5	2.5	2.6	100

Total	190	93.1	100	
Missing	14	6.9		
Total	204	100		

From the above Data we can see that the number of male and female employees is almost equivalent, the number of male employees is greater by 9% only. More than 80% of the age of the employees that involved in the respondent is less and equal to 35 years of age, this shows that the hotel industry comprises of mostly young professionals in their early career paths. When we see the marital status of the respondents, almost 55% are not married. The analysis of the educational level of the employees depicts that major part of the employees are diploma holders, the second most being degree holders, the third group the certificate and the other 14% master's and above holders, secondary school, and primary school levels.

Table 10: Demographic information of respondents about their work position and relative experience

	Option	Frequency	Percent	Valid Percent	Cumulative Percent
Working Position of Respondents	Operational	130	63.7	66.0	66.0
	Administrative	67	32.8	34.0	100.0
	Total	197	96.6	100.0	
	Missing	7	3.4		
	Total	204	100.0		
Work Experience of Respondents	Between 0 and 1 year experience	88	43.1	44.0	44.0
	Between more than one year and three years experience	73	35.8	36.5	80.5
	Between more than three years and five years experience	18	8.8	9.0	89.5
	More than five years of experience	21	10.3	10.5	100.0
	Total	200	98.0	100.0	
	Missing	3	1.5		
	Total	204	100.0		

From the above table we can conclude that most of the respondents are part of the operational department of the hotels whose employees have direct contact with customers, and 32.8% are from the administrative departments.

The work experience summary shows us that the major part of the respondents that is 43.1% have one year and less experience, 35.8% have one year up to two years of experience the rest being 19% of the respondents with more than three years of experience on the job.

Table 11: Star rating of the hotel the respondent works in

	Frequency	Percent	Valid Percent	Cumulative Percent
2 star	53	26.0	26.0	26.0
3 star	75	36.8	36.8	62.7
4 star	76	37.3	37.3	100.0
Total	204	100.0	100.0	

From the respondents, 37.3% employees are of 4 star hotels, 36.8% of the employees are employees in 3 star hotels and 26% of them work in 2 star hotels.

Section two: Questions measuring quality attributes

Analysis of questions that are prepared to measure the attitude of employees about service quality based on the five service quality dimensions, which are empathy, tangibility, reliability, responsiveness and assurance. The respondents are to answer the questions by ticking on one of the five choices according to linkert scale, which are ‘highly disagree’, ‘disagree’, ‘neither disagree nor agree’, ‘agree’ and ‘highly agree’. The first 3 questions focused on empathy. On the first attribute the mean of the replies for the three questions was 4.338, 4.47 and 4.08 respectively indicating that the employees’ give a caring and individualized attention to their customers.

The second 3 questions focused on tangibility, they intended to know the respondents answers about the appearance of the physical facilities and equipment. The mean of the respondents’ answers for the questions was 3.99 for if they have up-to-date equipment, 4.17 for the visually appeal of the materials they use in their work place and 4.08 for about their work environment being comfortable and attractive. These answers indicate that the hotels that were involved in the study don’t use the most up-to-date equipment. But that most of the respondents believed their workplace to be visually appealing, comfortable and attractive.

Table 12: Mean values of respondents on reliability

		When we promised to do something by a certain time we do so	We show sincere interest on solving our customers problems	We perform services right the first time	We provide services at the time required/promised	We Provide correct/accurate information
N	Valid	202	203	202	202	202
	Missing	2	1	2	2	2
Mean		4.2129	4.4483	4.4406	4.1634	4.4257
Std. Deviation		.91381	.79043	.75898	.89111	.77712
Minimum		1.00	1.00	1.00	1.00	1.00
Maximum		5.00	5.00	5.00	5.00	5.00

The next 5 questions aimed to measure the reliability attribute of the employees, the first one about keeping the promise they give to customers whose mean was 4.21, about being interested to solve the problems of customers whose mean was 4.45, about performing services right the first time every time and the mean of their answer is 4.4, about providing services on the time required/ promised 4.1, on providing the correct/accurate information to customers is 4.4. These above values all show us that the employees believe their service to be reliable and that they possess the ability to provide the promised service dependably and accurately.

Table 13: Mean values of respondents on responsiveness

		We are always willing to help our customers	We are never too busy to respond to our customers' questions	We provide prompt service to our customers
N	Valid	202	202	202
	Missing	2	2	2
Mean		4.4307	4.0792	4.3317
Std. Deviation		.83317	1.12133	.83689

Minimum	1.00	1.00	1.00
Maximum	5.00	5.00	5.00

The above table shows the employees reply on the three questions that ask about their responsiveness. As we can see their mean answers are 4.4, 4.1, and 4.3 respectively. The answers show that the employees are willing to help their customers and to provide prompt services. But on the other hand we see there are some number of employees who disagree with the fact that they are never too busy to respond to their customers questions.

Table 14: Mean values of respondents on assurance

		We can be trusted by our customers	We are consistently courteous to our customers	We have the required knowledge to answer our customers questions
N	Valid	203	202	201
	Missing	1	2	3
Mean		4.4532	4.5495	4.3184
Std. Deviation		.80317	.72621	.85913
Minimum		1.00	1.00	1.00
Maximum		5.00	5.00	5.00

In the above table we see that all of the answers are almost approximate to revealing that the employees' knowledge and courtesy of the employees and their ability to inspire trust and confidence in their customers is high. Yet, we can see that there is still a gap in them. This knowledge gaps will determine whether a customer is satisfied or not.

Section three: Questions measuring existing service quality management practice of hotels

The answers of this section's questions will be analyzed based on the table below(table 15) that summarizes the responses with means for easier comparing of the responses.

Table 15: Mean of responses to existing service quality management practices

Descriptive Statistics				
	N	Minimum	Maximum	Mean
There is an existing service quality process (methodology) to attain service quality	202	1.00	5.00	3.9455
The complaints of customers about service quality are registered	202	1.00	5.00	3.9802
The complaints of customers are analyzed frequently	200	1.00	5.00	4.0050
The top management supports the improvement of service quality	199	1.00	5.00	4.1256
There are resources committed to quality (formats, soft wares etc.)	200	1.00	5.00	4.2150
Workers are recognized for their commitment to deliver quality service	200	1.00	5.00	4.0800
There is a high degree of customer satisfaction in the service the hotel delivers	201	1.00	5.00	4.1493
The quality delivered and the money paid by customers to get the service are equivalent	202	1.00	5.00	4.1535
There is clear specification about the quality of service to be delivered to customers	200	1.00	5.00	3.9250
The hotel gives sufficient training to its employees about service quality	202	1.00	5.00	3.7624
There is no gap between the service quality specification and the actually delivered one	200	1.00	5.00	3.8500
The service quality delivered to customers is consistent	199	1.00	5.00	4.1256

There is continuous improvement of service quality in the hotel	202	1.00	5.00	4.2525
---	-----	------	------	--------

As it is shown on the table below, even though most of the respondents agreed with the fact that there is an existing service quality methodology almost 10% of the respondents don't agree with that. From this we can infer that either the respondents believe the existing condition is not enough or there is an exaggerated response about the existence. Plus more than 15% of the respondents gave a neutral answer that mostly indicates that the respondents don't have any information about the subject or they don't want to reveal their true opinion. And it shows that few hotels don't have service quality management system.

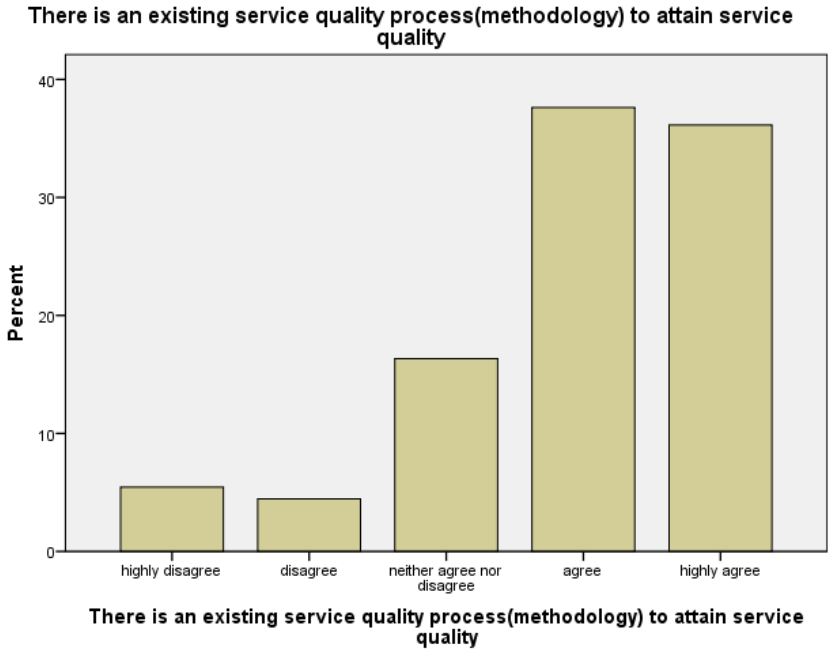


Figure 4: There is an existing service quality process

It is known that the major aim of every hotel is attracting customers and making customers loyal. Making customers loyal is not an easy task, it requires understanding customers demand and working on their complaints. To do so customers' complaint must be registered in a proper manner. And the next answer indicates all of the hotels that register the complaints analyze them to stop or minimize the occurrence of the same type of problems causing the complaints.

The complaints of customers about service quality are registered

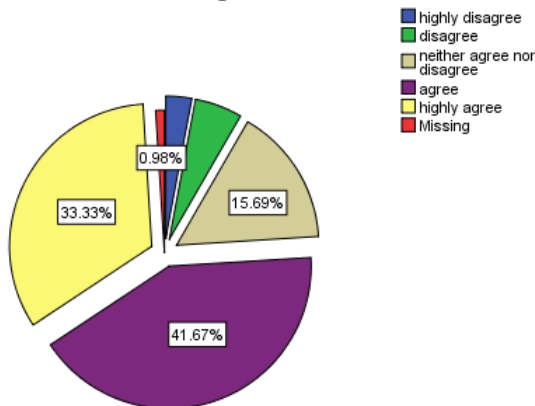


Figure 5: Complaints of customers registered

From the graph above we can see that 10% of the employees don't believe in the existence of a customer complaint registration system. And 15% of the respondents didn't give their clear reply. This shows that that few hotels don't register the complaints of customers. Plus service quality problems can occur in different operational areas of the hotels and to improve it all the complaints have to be known and analyzed.

When we come to the analysis of the registered complaints, almost 26% said the complaints don't get analyzed, with 76% saying complaints are analyzed. From these two points (registration and analysis of complaints), we can see that almost 50% of the respondents either don't believe in process or they don't have any idea about it or don't believe it's done properly.

The complaints of customers are analyzed frequently

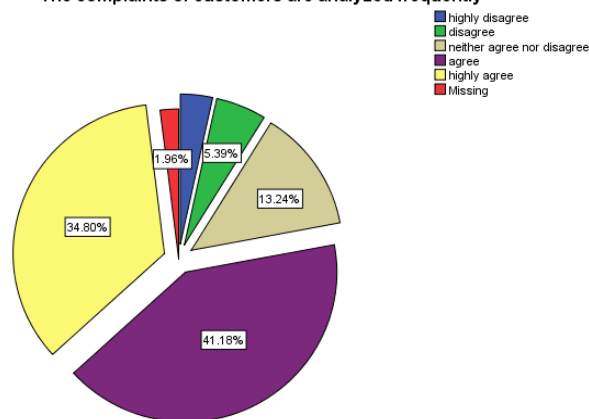


Figure 6: Complaints of customers are analyzed

Most of the respondents admitted that the top managers support the improvement of service quality. But around 25% of the respondents require more from the top managers regarding to the support they should get from them which will surely discourage them.

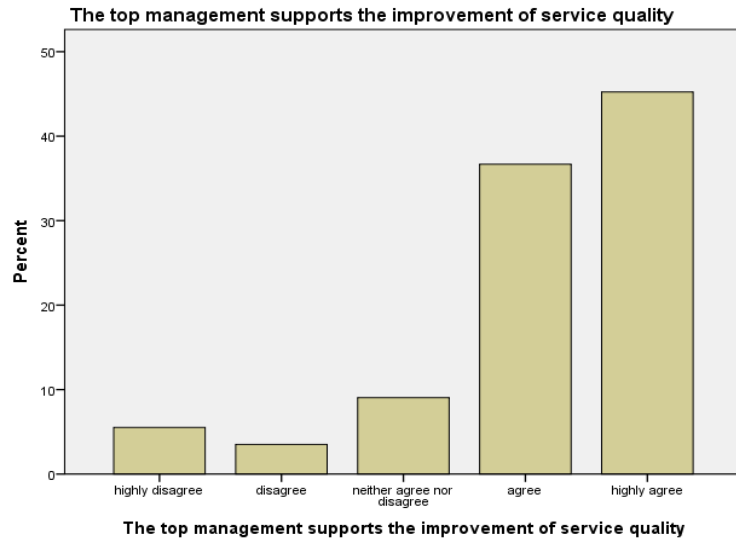


Figure 7: The top management supports the improvement of service quality

Most of the replies about the answer requiring if there are resources committed to quality management indicate that almost all of the hotels have resources committed to quality.

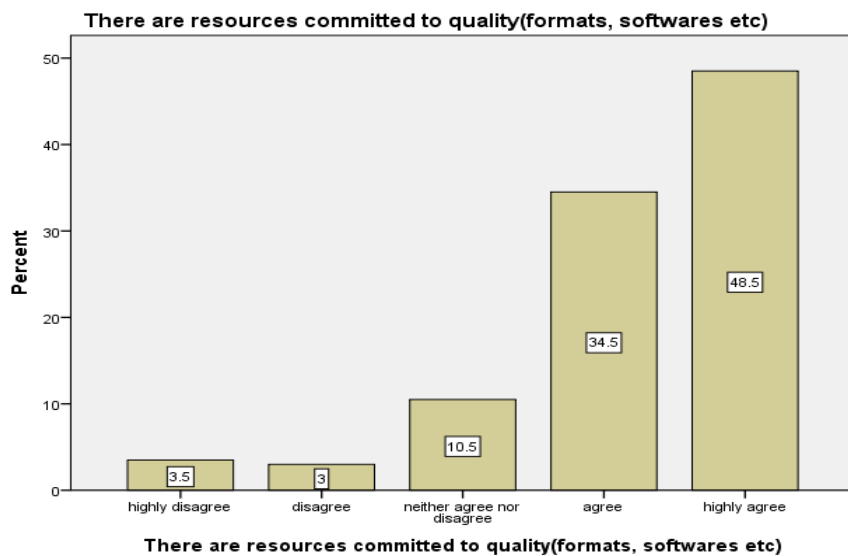


Figure 8: There are resources committed to quality

The graph below shows that, in most of the hotels the employees endeavor to improve service quality recognized and appreciated.

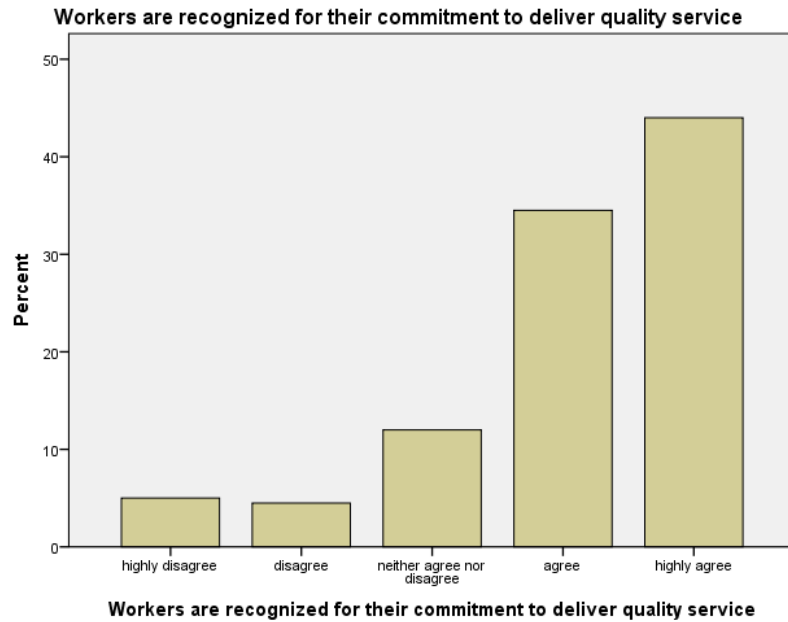


Figure 9: Workers are recognized for their commitment to deliver quality service

The mean of their answer, which is 4.14 shows that most of the employees believe that the service they deliver, satisfies their customers.



Figure 10: There is high degree of customer satisfaction in the service the hotel delivers

One of the definitions of quality is that the item's, in this case service's value should be equivalent with the price paid, therefore this question is asked to know whether the price paid to the service is worthy of the value gained. With regards to this, of the employees believe that the service quality delivered to customers is equivalent and deserving to the price the customers pay to get it.

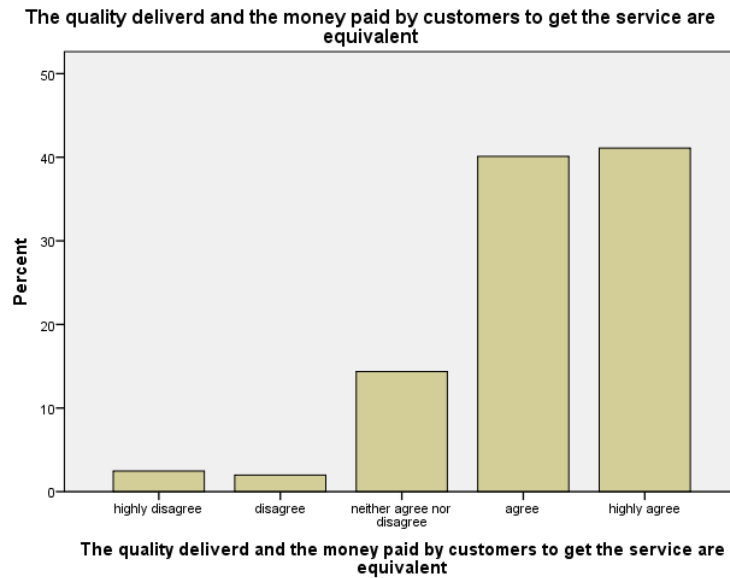


Figure 11: The quality delivered and the money paid by customers to get the service is equivalent

There is a less point given to if there is a clear specification about the quality of the service that should be delivered to customers compared to the other questions. This shows that comparatively there is lesser attention given to providing a clear specification about the quality of the service that is delivered

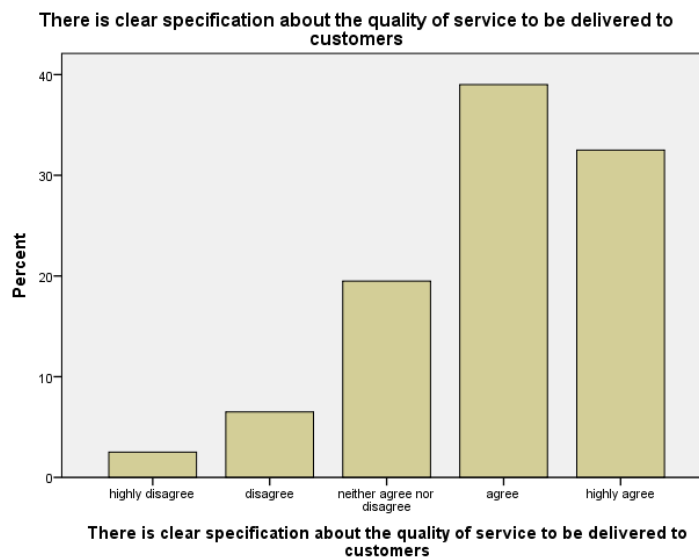


Figure 12: There is clear specification about the quality of service to be delivered to customers

The above graph shows that relatively more than 27% of the respondents don't clearly know the service quality delivery requirements of the hotels they work in. This can show that the specifications or standards of service quality are not clearly communicated to the employees or the employees don't accept or agree with them that directly influence the delivery of quality service. As shown on the demographic information, most of the respondents are workers of operational departments that have direct contact with customers.

The next question shows that there is gap between the service quality specifications that are given and the services that are actually delivered showing that there is implementation gap. This received comparatively low points as well from the others. From the graph below, it can be seen that around 27% of the respondents don't agree with the fact that there is no gap between the given specifications and the delivered service quality. Yet, from the figures from the question regarding if there is clear specification about service quality and the one regarding whether there is gap between the given specification and the delivered service quality, we can see that more than 50% of the respondents believe there is gap between the given specifications and the actual practice.

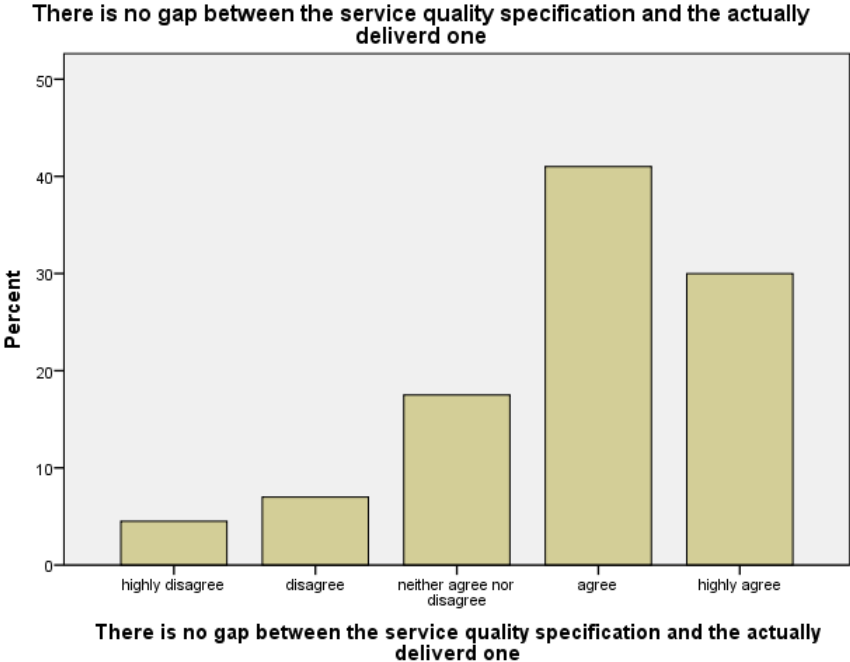


Figure 13: There is no gap between the service quality specification and the actually delivered one

The other comparatively less point given is to the training about service quality given to employees showing that hotels don't give the appropriate training on service quality to their employees.



Figure 14: The hotel gives sufficient training to its employees about service quality
 From the graph above we can see that more than 30% of the respondents don't agree that there is sufficient training given about service quality. As the industry grows and competition grows, customer's demand for quality service is also growing, therefore the hotels have to continuously train their employees, and update their knowledge on how to best satisfy their customers.

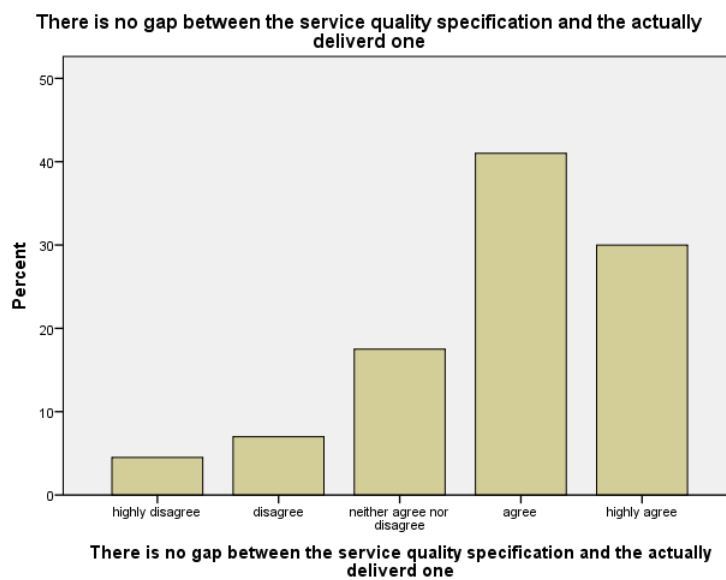


Figure 15: There is no gap between the service quality specification and the actually delivered one

This question intended to know if the service quality the hotels give is consistent or not. Consistent service means the delivery follows the required specifications and patterns at any time regardless of conditions, the type of customers and other variables that might influence service deliverers to make deviations. From the graph below we can see that nearly 20% of the respondents don't agree with the delivery of consistent degree of service quality. Meaning the hotels delivers services that vary with different conditions or the degree of quality of services delivered is below the earlier standard. This figure applies for if we say for example there are 100 hotels, 20 of them have this problem.



Figure 16: The service quality delivered to customers is consistent

The answers to the question whether there is continuous improvement of service quality show that in almost all of the hotels there is continuous attempt going on to improve service quality. On the questions above we have seen that there is gap in having a quality management system and also on collecting and analyzing problems. It's hard to believe that without using knowing the problems there can be a continuous improvement even though most of the respondents agreed with it.



Figure 17: There is continuous improvement of service quality in the hotel

The hotel management, employees and customers are the main players in the service delivery process. Hotel management: the management's role in the service giving includes setting quality standards, training employees, evaluating the service delivery and empowering employees. The management is responsible for the system applied in the service giving, for receiving customers' complaints and taking measures to improve the system.

Employees: are responsible to the service delivery in accordance with the given standards and play a major role in the system development, rectifying problems, and finding solutions to problems in the service delivery.

Therefore the hotels have to introduce a system that helps them to realize in what way the service delivery process is going, to receive feedback from customers, to realize their strengths if customers' are satisfied and find the downsides if customers are disappointed. So it's like a loop the service quality management has to go through always in order to improve the quality continuously.

Chapter Five: Conclusion and Recommendations

5.1. Conclusion

From the study we can see that the specifications given by hotels is not attained properly and brought to practice. This shows that the hotels are not working on building the capacity of their employees. From the research we can see that sufficient training about service quality is not given to employees. Without the proper training, the fast growing demand of the industry and how to handle it will be unknown to the employees. Training polishes the attitude of employees about the service quality they should be delivering, equips them on the systems and procedures they should be following to deliver standard service, and satisfy customers. So it is an important element in the service quality management system. Again, since from the demographic data we discovered that 43% of the employees are new to the hotels' working procedures, the giving of trainings becomes crucial.

There is lack of existing service quality management method that encompasses all the operations of the hotels. Quality is not the duty of only one department or one person, as many believe it is. But in order to attain the delivery of quality service all the departments, all the employees, the managements, the resources and the procedures have to work towards it together

In some hotels employees are busy and find themselves carrying on their responsibilities without evaluating their work and without giving the proper consideration to solving problems that occurred. Employees that don't have opportunity to assess their work will not have the focus and concentration to give proper and timely solutions to customers. Proper solutions to customers' requirement and complaints must be given without delay and this will result in continuous improvement and loyal customers.

5.2. Recommendations

- The hotels have to work on the gaps on enabling their employees about the standards given and about their implementation.
- Hotels should focus on equipping their employees' ability so that they can deliver quality service.

- Evaluation of their performance has to be part of the timely responsibilities of managers and workers since without evaluation and correction of problems the service delivered will be going continuously along the same circle without improvement.
- Managers have to show the true value of delivering a quality service and its rewards so that the employees engage in it fully.
- The hotels must update themselves with the current situations the time demands (continuous improvement) continuously updating themselves on the demand of customers and trying to meet them and continuously pointing out problems and trying to solve them.
- Almost all hotels have the system to register customer complaints but emphasis should be given to the analysis and correction of customer complaints.
- Since a hotel is a highly customer sensitive industry in a way that the direct employee-customer contact is high, each and every detail of minor and simple gaps and problems seek immediate solution. Therefore the management is supposed to give emphasis to these gaps and work on means of minimizing them.
- This study shows only the side of the hotel's employees that might be enough in some cases, but since in this case there is very limited transparency with the answers there should be a further research comparing both the perception of the employees and managers and the customers they serve them.

6. Reference

1. Retrieved 07 04, 2014, from www.disneyinstitute.com: [http](http://www.disneyinstitute.com)
2. Retrieved July 2015, from www.isixsigma.com: www.isixsigma.com
3. A. Parasuraman, V. A. (1985). A conceptual Model of Service Quality and Its Implications for Future Research. *Journal of Marketing* , 41-50.
4. A. Parasuraman, V. A. (1985). A Conceptual Model of Service Quality and Its Implications for Future Reserch. *The Journal of Marketing* , 41-50.
5. Aklilu, E. (2015, May). The Grading of Hotels is Essential. *Addis Zemen* , p. 9.
6. B.G. Dale, R. W. (n.d.). *Managing quality in manufacturing versus services: a comparative analysis*.
7. Berry, L. ., (1985). Quality Counts in Services, too. *Business Horizons*.
8. Berry, L. P. (1999). *Marketing services: Competing through quality* . New York: Free Press.
9. BOGDANOIU, C. (n.d.). *Business Process Reengineering Method Versus Kaizen Method*. Romania: Spiru Haret University .
10. Boundless.(n.d.).Boundless.com.Retrieved June 2, 2015, from <https://www.boundless.com/marketing/textbooks/boundless-marketing-textbook/services-marketing-6/services-versus-products-49/perishability-248-404/>: <https://www.boundless.com>
11. Dereje, A. (2015, May 3). Herald Guest. *The Ethiopian Herald* , p. 7.
12. en.m.wikipedia.org. (n.d.). Retrieved July 2015, from Wikipedia Web Site.
13. Ethiopia records double-digit economic growth under GTP. (2013, February 8). *Sudan Tribune* .
14. Ethiopia, T. E. (2008). *A series of Studies on Industries in Ethiopia*.
15. Ethiopia's booming Hotel Industry. (n.d.). *Inside Ethiopia* .
16. H.Gudeta, E. C. (2013). Hotel Sector Investement In Ethiopia. *Journal of Economics and International Business Reserach* , 35.

17. hospitalityarticles.blogpost.com. (n.d.).
18. institute.nhs.uk. (2008). Retrieved July 2015, from NHS website.
19. J.M.Juran. Quality Control in Service Industries. In *Quality Control Handbook*. McGraw-Hill BookCo.
20. Johnston, R. (1994). *The determinants of service quality: satisfiers and dissatisfiers*. Coventry,UK: University of Warwick.
21. Kamar, M. S. (2014). Six Sigma Application in the Hotel Industry: Is it Effective for Performance Improvement. *Research Journal of Management Sciences* , 1-14.
22. Kapiki, S. (. (2012). *Quality Management in Tourism and Hospitality:an Explanatory Study among Tourism Stakeholders*. *International Journal of Economic Practices and Theories* .
23. Kapiki, S. (2012). *Quality Management in Tourism and Hospitality: An Exploratory Study among Tourism Stakeholders*. *International Journal of Economic Practices and Theories* , 3-9.
24. Lichman, J. K. (2007). *Six Sigma Approach to Quality and Productivity Improvement In Institution For Higher Education In The US*. *International Journal of Management* .
25. M.Lancaster, J. (2011, Fall). *Lean and Six Sigma in Hospitality Organizations: Benefits, Challenges, and Implementation*. Las Vegas, United States of America.
26. *Quality Improvement and a Systems Approach to Substance Use*. (2013). Ottawa: Canadian Centre On Substance Use.
27. Tadele, Y. (2013, May 26). *Anniversary Boosts Tourism Sector*. FORTUNE .
28. Team, B. (2011, October 17). *BMS.co.in*. Retrieved June 02, 2015, from [www.bms.co.in/define services and explain characterstics of services](http://www.bms.co.in/define_services_and_explain_characterstics_of_services): <http://www.bms.co.in>
29. *Total Quality Management*. In *Total Quality Management* (p. 10).
30. Walle, Y. M. (2010). *Tourist Flows and Its Determinants in Ethiopia*. Addis Ababa: Ethiopian Development Research Institute.

31. www.subi2000.com. (2013, October). Retrieved July 04, 2014

Annex
Questionnaire
Addis Ababa Institute of Technology
School of Mechanical Engineering Graduate Program in Industrial Engineering
stream



Title: Improvement of Service Quality in Ethiopian Hotel Industry

I would like to express my gratitude for your willingness to fill out this survey questionnaire. This questionnaire is conducted for the purpose of an academic research and will be kept confidential. Therefore, please feel free to give your honest reply for each question. Please tick in the boxes prepared for the answers.

1. Section I

Respondent's Profile

- a. Educational level _____
- b. Current Working position _____
- c. Related Work experience _____

2. Section II

S/N	Questions measuring quality attributes	1	2	3	4	5
	Empathy					
1.	We give individual attention to our customers					
2.	We understand the specific needs of our customers					
3.	We have convenient working hours					
	Tangibles					
4.	We have up-to-date equipment					
5.	The materials used in the workplace are visually appealing					
6.	The work environment is comfortable and attractive					
	Reliability					
7.	When we promised to do something by a certain time we do so					
8.	We show sincere interest on solving our customers problems					
9.	We perform services right the first time					

10.	We provide services at the time required/promised					
11.	We provide correct/accurate information to our customers					
	Responsiveness					
12.	We provide prompt services to our customers					
13.	We are always willing to help our customers					
14.	We are never too busy to respond to our customers' request					
	Assurance					
15.	We can be trusted by our customers					
16.	We are consistently courteous to our customers					
17.	We have the required knowledge to answer our customers' questions					

3. Section III

S/No	Questions Regarding the existing service quality process of the company	1	2	3	4	5
1.	There is an existing formal process(methodology) to attain service quality					
2.	The complaints of customers are analyzed frequently					
3.	There a proper planning for service quality					
4.	The top management support the improvement of service quality					
5.	There are resources committed to quality (forms, pens, papers)					
6.	Workers are recognized for their commitment to deliver quality service					
7.	There is a high degree of customer satisfaction in the service the hotel delivers					
8.	There is a clear specification and standard about the quality of service					
9.	Specifications of service quality are met in delivery					
10.	The company gives sufficient training to its employees about service quality					
11.	I have the required knowledge about service quality?					
12.	There is no gap between the service quality specification and the actually delivered one					
13.	The goals and expectations of the organization are clear					