

Analysis of the Implementation of Total Quality Management (TQM) on Customer Satisfaction at Golden Boutique Hotel Kemayoran

Tenri Bulan Wahid^{1*}, Sugiyono²
Universitas Mercu Buana, Jakarta, Indonesia
Corresponding Author: Tenri Bulan Wahid
tenribulanwahid230997@gmail.com

ARTICLE INFO

Keywords: Customer Focus, Quality Obsession, Teamwork, Employee Empowerment, Customer Satisfaction

Received: 16, August
Revised: 30, August
Accepted: 25, September

©2024 Wahid, Sugiyono: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This study examines the implementation of Total Quality Management (TQM) on customer satisfaction at Golden Boutique Hotel Kemayoran. The research involves 6,636 visitors, the highest number recorded in November 2023. Using simple random sampling, 100 respondents were selected, and data were gathered through questionnaires. Structural Equation Modeling – Partial Least Square (SEM-PLS) was applied for data analysis. The results show that: 1) quality obsession positively and significantly affects customer satisfaction, 2) employee involvement and empowerment have a positive and significant impact, 3) customer focus also positively and significantly influences satisfaction, and 4) teamwork similarly contributes positively and significantly. The study's implications are discussed further in the article.

INTRODUCTION

In the competitive digital business landscape, customer satisfaction is key to success. High satisfaction can foster loyalty, support repeat purchases, and boost revenue. Additionally, a positive reputation from good service can attract new consumers. Customer satisfaction reflects a business's health and sustainability potential, with low satisfaction posing a risk of business failure (Wicaksana, 2020).

Customer satisfaction has the potential to build loyalty and strong bonds between customers and service providers. It is closely related to the hospitality industry. Currently, hotel businesses still face uncertainty in their operations. This is evidenced by data showing the occupancy rate of star-rated hotels in Jakarta in 2023, indicating intense competition, with the occupancy rate in October 2023 slightly declining by 0.91 percentage points compared to the previous month (BPS, 2023). The explanation is in the following table:

Table 1 Room Occupancy Rate (TPK) of Star Hotels by Hotel Classification in Jakarta, October 2022, September 2023, and October 2023

Star Hotel Classification	Room Occupancy Rate (percent)			Change (percentage points)	
	October 2022	September 2023	October 2023	October 2023 forward October 2022	October 2023 compared to September 2023
One Star	37.65	38.82	47.1	9.45	8.28
Two Stars	58.74	61.66	60.21	1.47	-1.45
Three Stars	57.37	55.3	57.83	0.46	2.53
Four Stars	56.58	59.22	56.47	-0.11	-2.75
Five Stars	55.86	57.33	52.95	-2.91	-4.38
Average	56.54	57.33	56.42	-0.12	-0.91

Source: Statistics Indonesia (BPS) DKI Jakarta Province, 2023.

The Room Occupancy Rate (TPK) for star-rated hotels in Jakarta reached 56.42 percent in October 2023. Specifically, the highest TPK was recorded in two-star hotels at 60.21 percent, followed by three-star and four-star hotels at 57.83 percent and 56.47 percent, respectively. On the other hand, the TPK for one-star hotels was 47.10 percent. Based on star ratings, one-star and three-star hotels saw increases in TPK by 8.28 and 2.53 percentage points, respectively. Meanwhile, the TPK for the other three star-rated hotel categories decreased on a monthly basis. This decline reflects the hospitality industry's efforts to enhance customer satisfaction, which is key to maintaining optimal occupancy levels. This is evident in the Golden Boutique Hotel Kemayoran, a four-star hotel (BPS, 2023).

Golden Boutique Hotel Kemayoran features elegance with its European-style architectural design and strategic location. Attractions such as the National Monument, Mangga Dua, Istiqlal Mosque, Old Jakarta, and Jakarta International Expo are easily accessible from the hotel (Golden, 2019). Its

renovated rooms offer a comfortable stay with a total of 258 rooms. The hotel boasts a grand ballroom, entertainment facilities, a fitness center, a swimming pool, a spa, and a restaurant. The 24-hour reception and WiFi throughout public areas enhance customer satisfaction (Traveloka, 2024). While Golden Boutique Hotel has implemented efforts to achieve consumer satisfaction, consumer responses indicate discrepancies with on-ground conditions. Below is survey data on the number of visitors conducted at Golden Boutique Hotel Kemayoran, Central Jakarta (Golden, 2019).

Table 2 Data on the Number of Visitors to Golden Boutique Hotel

Month	Occupied	Salvable	Average Occupancy %
Januari	2103	7959	26,42%
February	2482	7184	34,55%
Maret	4158	7930	52,43%
April	1215	7687	15,81%
Mei	4040	7956	50,78%
Juni	2338	7677	30,45%
Juli	3684	7960	46,28%
Agustus	4672	7933	58,89%
September	4838	7642	63,31%
Oktober	5735	7642	75,05%
November	6636	7601	87,30%
December	5520	7546	73,15%
Average	47.421	92.717	51,15%

Source: Management of Golden Boutique Hotel Kemayoran, 2023

The total number of rooms provided by Golden Boutique Hotel is 258 units. However, there are occasional incidents of damage that require repairs in some rooms, meaning not all of the 258 rooms can be operated optimally. Such damage typically involves repairs to furniture and other facilities in several rooms. Observations and data analysis reveal that each month, there are many unoccupied rooms, with more rooms left empty compared to those sold. Data from January to December 2023 indicate an imbalance between sold and available rooms. A series of investigations found that the hotel received negative reviews from several customers, reflecting dissatisfaction with services or facilities not meeting customer expectations. These negative reviews are visible on platforms such as Booking, Agoda, and Traveloka.

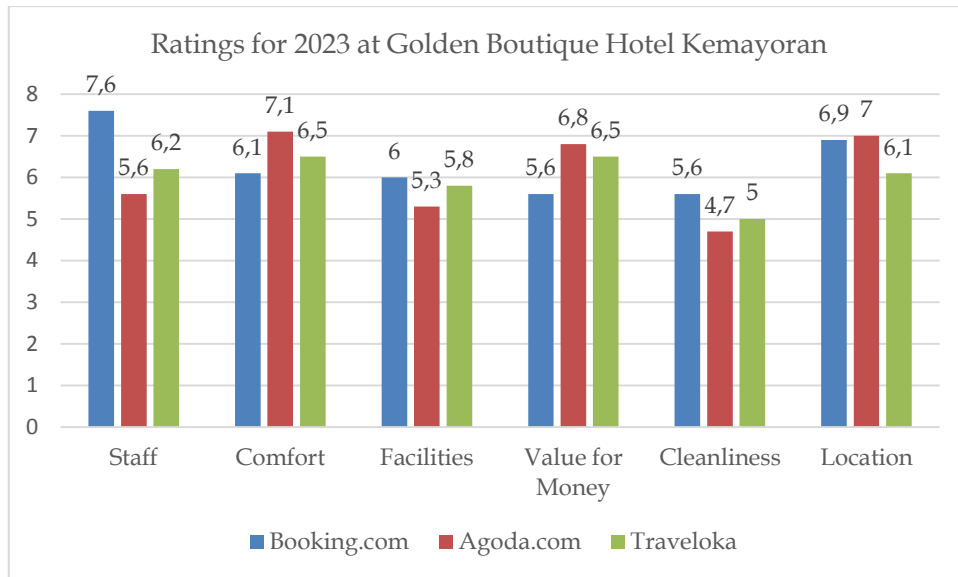


Figure 1 Customer Rating Data for 2023
 Source: Hotel-Booking.com, Agoda.com, Traveloka

By detailing the evaluation results presented above, we can gain insights into the level of customer dissatisfaction, reflected in various categories such as staff, comfort, facilities, value for money, cleanliness, and location. The implementation of Total Quality Management (TQM) in hospitality focuses on the continuous improvement of product and service quality with the involvement of all organizational members. TQM can enhance customer satisfaction through a focus on customers, quality obsession, teamwork, and employee involvement and empowerment. TQM also includes maintaining standards, addressing complaints, and empowering employees. Previous studies have shown that the application of TQM positively contributes to customer satisfaction and business growth.

LITERATURE REVIEW

Operational Management

Operational management is a crucial function in companies driven by technological advancements and new innovations (Nusraningrum et al., 2023). It serves as a strategic tool for competition, focusing on managing the production processes of goods and services. The primary tasks of operations managers include strategic planning, decision-making, and coordinating various operational functions. Operations managers are responsible for the transformation system that converts inputs into outputs, with a focus on decision-making in areas such as processes, capacity, inventory, and quality.

Total Quality Management (TQM)

Total Quality Management (TQM) is a management system focused on comprehensive quality improvement in products, processes, and services. TQM involves all members of an organization to achieve customer satisfaction and enhance productivity and efficiency. TQM dimensions include customer focus, quality obsession, scientific approach, long-term commitment, teamwork,

continuous improvement, education and training, controlled freedom, unity of purpose, and employee involvement and empowerment. TQM aims to produce high-quality goods and services at economical and sustainable costs, and is applied in both industrial and service sectors to improve services and relationships with customers (Daqar & Constantinovits, 2020). Some indicators of Total Quality Management are as follows:

1. Customer Focus

The successful implementation of a quality culture is marked by engaging customers to understand their needs through surveys and feedback. Managing customer data supports service efficiency and decision-making, and leveraging complaints as opportunities for improvement (Septiadi, 2019).

2. Quality Obsession

Quality obsession involves enhancing products, services, human resources, and environments beyond expectations. In TQM, the focus is on meeting customer needs with higher standards (Putri & Suzan, 2019).

3. Teamwork

Effective teamwork is achieved through team coordination to enhance innovation and efficiency. Cross-functional participation and team support are necessary to achieve shared goals (Febrianto, 2021; Marwiyah et al., 2022).

4. Employee Involvement and Empowerment

Employee involvement in decision-making and valuing their input are crucial for success. Indicators include adherence to SOPs, cleanliness, and responsiveness to damage (Kadir, 2016; Marwiyah et al., 2022).

Customer Satisfaction

Customer satisfaction is a crucial aspect of operational management, focusing on meeting customer needs and expectations through high-quality products or services (Rosyda, 2021). Kotler et al. (2016) state that customer satisfaction occurs when the performance of a product or service meets or exceeds expectations, while dissatisfaction arises if performance falls short of expectations (Meesala & Paul, 2018). Satisfaction can be measured through complaint systems, surveys, mystery shopping, and analysis of customer churn (Wibisono, 2019). Determinants of satisfaction include product quality, price, service, emotions, and costs and convenience (Krisdamayanti, 2019).

Hospitality Industry

The term "hotel" was first used in the 18th century in London to refer to "hotel garni," a large house with accommodation facilities. Before this term became known, lodging in England was referred to as "inns." The first hotel in the United States, City Hotel, was built in 1794 in New York. According to Endar Sri (1996), a hotel is a commercial building that provides lodging, food, and other services to the public. The hospitality sector focuses on customer satisfaction with 24-hour services and both tangible and intangible (Napu et al., 2023).

METHODOLOGY

The research was conducted at Golden Boutique Hotel Kemayoran with a population of 6,636 people and a sample size of 100 respondents, calculated using Slovin's formula with a 10% margin of error. The sample was selected based on criteria: customers who are currently or have previously stayed and who completed only one questionnaire. The hypothesis was tested using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, a multivariate statistical technique for analyzing endogenous and exogenous variables (Jogiyanto dalam Evi, 2022).

RESEARCH RESULT

The study involved 66% male and 34% female participants, with the majority aged 21-30 years (49%) and holding a bachelor's degree (49%). Descriptive results showed that customer focus had a median of 4.00 and an average of 3.654, with the highest score in room cleaning assistance (3.97). Quality obsession had an average of 3.44, with the highest score in employee friendliness (3.85). Teamwork had an average of 3.62, with the highest score in information provision (3.83). Employee involvement had an average of 3.37, with the highest score in uniform compliance (3.68). Customer satisfaction had an average of 3.50, with the highest score in ambiance (3.66).

Measurement Model Evaluation (Outer Model)

In evaluating the SEM-PLS measurement model using SmartPLS, two tests were conducted: validity and reliability. Indicators with loading factors below 0.7 were removed to achieve a more specific model. After elimination, the model was re-specified.

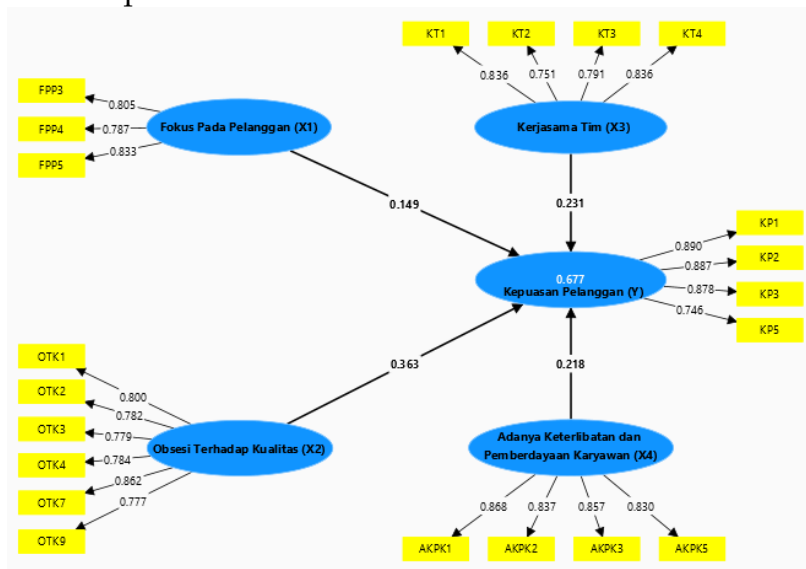


Figure 2 Final SEM-PLS Analysis Model
 Source: Data processed using SmartPLS 4.1.03, 2024

Figure 1 shows the processed results with all manifest variables being valid or >0.7.

Table 4 Cronbach's Alpha and Composite Reliability Test Results

Variables	Cronbach's Alpha	Composite Reliability (Rho_A)	Composite Reliability (Rho_C)	Description
Customer Focus (X1)	0.742	0.762	0.85	Reliable
Quality Obsession (X2)	0.886	0.887	0.913	Reliable
Teamwork (X3)	0.822	0.843	0.88	Reliable
Employee Involvement and Empowerment (X4)	0.87	0.877	0.911	Reliable
Customer Satisfaction (Y)	0.873	0.887	0.914	Reliable

Source: Data processed using SmartPLS 4.1.03, 2024

The evaluation results above show that Cronbach's alpha and composite reliability values are above 0.70 for all latent variables, indicating that all latent variables in this study can be considered reliable.

Structural Model Testing or Hypothesis Testing (Inner Model)

Evaluating the inner model is crucial for analyzing the relationships between variables within the theoretical framework of the model.

Table 5 Multicollinearity Testing Results (Inner VIF Model)

	VIF
Customer Focus (X1) -> Customer Satisfaction (Y)	1.23
Quality Obsession (X2) -> Customer Satisfaction (Y)	3.317
Teamwork (X3) -> Customer Satisfaction (Y)	2.925
Employee Involvement and Empowerment (X4) -> Customer Satisfaction (Y)	2.838

Source: Data processed using SmartPLS 4.1.03, 2024

The multicollinearity testing results show that the inner VIF values for the exogenous variables are optimal, being below 5 and above 0.2, with no indication of multicollinearity issues.

Table 6 R² Values for Endogenous Variables

	R-square
Customer Satisfaction (Y)	0.677

Source: Data processed using SmartPLS 4.1.03, 2024

The R-squared value of 0.677 indicates that 67.7% of the variability in Customer Satisfaction is explained by the variables Customer Focus, Quality Obsession, Teamwork, and Employee Involvement, while 32.3% is explained by other factors.

Hypothesis Testing

Evaluation of Path Coefficients using the Inner Model assesses the relationships between variables with parameter coefficients, t-statistics, and p-values. Hypotheses are tested with H0 (no effect) if p-value > 0.05 and Ha

(effect) if $p\text{-value} < 0.05$. The analysis was conducted using SmartPLS 4.1.03 with $t > 1.96$ and $p\text{-value} < 0.05$ as indicators of significance.

Table 7 Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Customer Focus (X1) -> Customer Satisfaction (Y)	0.149	0.151	0.059	2.522	0.012	Significantly positive impact
Quality Obsession (X2) -> Customer Satisfaction (Y)	0.363	0.364	0.121	3.008	0.003	Significantly positive impact
Teamwork (X3) -> Customer Satisfaction (Y)	0.231	0.23	0.093	2.494	0.013	Significantly positive impact
Employee Involvement and Empowerment (X4) -> Customer Satisfaction (Y)	0.218	0.219	0.083	2.631	0.009	Significantly positive impact

Source: Data processed using SmartPLS 4.1.03, 2024

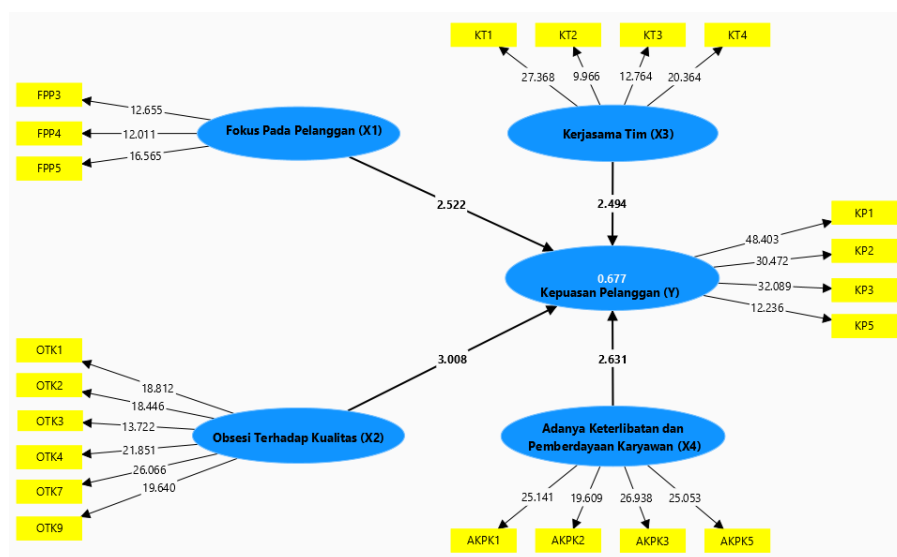


Figure 3 Results of Bootstrapping Test

Source: Data processed using SmartPLS 4.1.03, 2024

DISCUSSION

This study analyzes the implementation of Total Quality Management (TQM) on customer satisfaction at the Golden Boutique Hotel Kemayoran. Through surveys and analysis using SmartPLS, it was found that significant variables affecting customer satisfaction include quality obsession, employee involvement and empowerment, customer focus, and teamwork.

1. The Influence of Quality Obsession on Customer Satisfaction

The test results show a parameter coefficient of 0.363, supported by a T-statistic of 3.008 (significant below 10%). Quality obsession has a

significant positive effect on customer satisfaction, particularly in the aspects of tangibles, responsiveness, and empathy. Key factors include hotel facilities, cleanliness, and responsive service, which play a crucial role in creating a positive customer experience.

2. The Influence of Employee Involvement and Empowerment on Customer Satisfaction

The parameter coefficient is 0.218, with a T-statistic of 2.631 and a P-value of 0.009, indicating that employee involvement and empowerment have a significant positive impact. Key indicators include attention to hotel cleanliness, attractive appearance, and quick responses to facility damage.

3. The Influence of Customer Focus on Customer Satisfaction

Customer focus has a coefficient of 0.149, with a T-statistic of 2.522 and a P-value of 0.012. Service interactions, particularly in providing information, restaurant services, and room cleanliness, are important factors in enhancing customer satisfaction.

4. The Influence of Teamwork on Customer Satisfaction

The parameter coefficient of 0.231, with a T-statistic of 2.494 and a P-value of 0.013, confirms the significant positive influence of teamwork. Key indicators include the ability to perform tasks well, collaboration among employees, and consistency in providing information to customers.

These results support existing theories and strengthen evidence that TQM elements play a crucial role in creating customer satisfaction in the hospitality sector.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study shows that the implementation of Total Quality Management (TQM) at Golden Boutique Hotel Kemayoran has a significant impact on customer satisfaction through elements such as quality obsession, employee involvement and empowerment, customer focus, and teamwork.

In terms of quality obsession, this approach has the greatest influence, particularly in responsiveness, facility cleanliness, and employee empathy. These elements are key to enhancing customers' perceptions of the quality of service received. Additionally, employee involvement and empowerment have proven effective in increasing customer satisfaction, especially through staff attention to cleanliness and their professional appearance. Customer focus also significantly contributes through patient and communicative interactions, as well as good service in restaurants and room cleanliness.

Well-managed teamwork, particularly in performing tasks and providing information, is crucial in strengthening service quality and enhancing customer trust. Overall, TQM plays a role in ensuring consistent service quality, effective coordination among employees, and a strong focus on customer needs. Management that effectively applies TQM principles is key to creating a positive customer experience and building loyalty amidst the increasingly competitive hospitality industry.

Recommendations

Based on the analysis of the lowest indicators in the implementation of Total Quality Management at Golden Boutique Hotel Kemayoran, the following improvements are suggested:

1. **Quality Obsession:** The hotel should update room facilities and improve bed comfort to meet higher quality standards, thereby increasing customer satisfaction and loyalty.
2. **Employee Involvement and Empowerment:** The hotel should reinforce compliance with dress code rules, including uniforms, to reflect professionalism and enhance its image in the eyes of customers.
3. **Customer Focus:** Management should enhance employee training in proactivity, especially in offering routine assistance to guests, including room cleaning, to create a more satisfying experience.
4. **Teamwork:** Communication training is needed to improve coordination among employees, ensure consistent information, and increase operational

ADVANCED RESEARCH

This study has several limitations that affect the validity and generalization of its results. The sample was limited to a single hotel, Hotel Golden Boutique Kemayoran, so the findings may not be applicable to other hotels or similar industries. Expanding the research scope to include more hotels or different locations would provide a more representative sample. A small and unrepresentative number of respondents could lead to biased data, so future researchers should aim to increase the sample size and ensure better demographic distribution. Short data collection periods may lead to inaccurate long-term trends, so extending the research duration is necessary. The limited use of basic statistical analysis lacks depth, making advanced techniques like multivariate regression important for more comprehensive insights. External factors such as changes in management or economic conditions should also be taken into account. Subjective measures of customer satisfaction may introduce bias, so objective measurements should be added by future researchers. Moreover, the limited scope of references reduces the depth of analysis, indicating a need to incorporate a broader range of literature. Research recommendations should also be more practical and implementable for hotel management. Future researchers should be more proactive in securing permits and consider alternative locations to facilitate smoother research processes.

REFERENCES

BPS, D. J. (2023). Badan Pusat Statistik Provinsi DKI Jakarta.

Daqar, M. A., & Constantinovits, M. (2020). The role of total quality management in enhancing the quality of private healthcare services. *Problems and Perspectives in Management*, 18(2), 64-78. [https://doi.org/10.21511/ppm.18\(2\).2020.07](https://doi.org/10.21511/ppm.18(2).2020.07)

- Febrianto, S. E. (2021). Faktor-faktor yang Mempengaruhi Kepemimpinan dan Kerjasama Tim: Kepemimpinan, Komunikasi Efektif, Pendekatan Kepemimpinan Tim, dan Efektivitas Tim (Studi Kajian Studi Literature Review Ilmu Manajemen Terapan). *Manajemen Pendidikan Dan Ilmu Sosial*, 2(2). <https://doi.org/10.38035/jmpis.v2i2>
- Golden, B. H. K. (2019). Golden Boutique Hotel Kemayoran. Reservation@goldenboutiquehotel.Com.
- Jogiyanto dalam Evi, T. (2022). Partial Least Squares (Teori Dan Praktek).
- Kadir, A. (2016). Pengaruh Penerapan Total Quality Management (TQM) terhadap kepuasan pelanggan (Studi pada padmaloka hotel tarakan). Universitas Borneo Tarakan.
- Krisdamayanti, N. (2019). PENGARUH KUALITAS PRODUK DAN HARGA TERHADAP KEPUASAN DAN LOYALITAS PELANGGAN. SEKOLAH TINGGI ILMU EKONOMI INDONESIA.
- Marwiyah, S., Sedarmayanti, Denok, Setiawan, H., & Suharsono, N. T. (2022). Total Quality Management (S. Anwar, Ed.; 1st ed.). Deepublish.
- Meesala, A., & Paul, J. (2018). Service quality, consumer satisfaction and loyalty in hospitals: Thinking for the future. *Journal of Retailing and Consumer Services*, 40, 261-269.
- Napu, D. M., Yamini, E. A., Nurhidayat, W., Rifai, M. S. A., Baswarani, D. T., Novianto, U., Fadlina, S., Desmantyo, P. S., Darsana, I. M., Dirgantara, A. R., Sinaga, F., & Margarena, A. N. (2023). PENGANTAR BISNIS PARIWISATA : PERHOTELAN FOOD AND BEVERAGE SERVICE DAN PENGEMBANGAN DESTINASI WSATA (M. A. Wardana, Ed.). Cv. Intelektual MANifes Media.
- Nusraningrum, D., Mekar, T. M., Endri, E., & Ahmad, F. S. (2023). Does implementing green operation management affect the Sustainability of port operations in Labuan Bajo? *Uncertain Supply Chain Management*, 11(4). <https://doi.org/10.5267/j.uscm.2023.8.005>
- Putri, R. A., & Suzan, L. (2019). Pengaruh Total Quality Management (Tqm) Terhadap Kinerja Manajerial (Studi Kasus Pada Dinas Perhubungan Kota

- Bandung) Effect Of Total Quality Management (Tqm) On Managerial Performance (Case Study At Bandung City Transportation Agency).
- Septiadi, W. (2019). Tinjauan Total Quality Management (TQM) Pada Lembaga Pendidikan Islam. *Nidhomul Haq : Jurnal Manajemen Pendidikan Islam*, 4(1), 34-51. <https://doi.org/10.31538/ndh.v4i1.105>
- Traveloka. (2024). Golden Boutique Hotel Kemayoran. Copyright © 2024 Traveloka.
- Wicaksana, W. (2020). pentingnya Kepuasan Pelanggan pada Suatu Bisnis. 1(1). <https://doi.org/10.38035/JMPIS>