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ACADEMIC WEEKLY DIGEST

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THE ECONOMICS OF QUALITY MANAGEMENT

EVIDENCE FROM THE IRISH HOTEL INDUSTRY

This week we feature the work of **Dr Emma Reardon** who's PhD thesis explored the economics of quality logic by examining the key quality management resources that can positively or negatively influence hotel performance. Her doctoral research was rooted within a voluminous body of literature that continues to explore the integration of financial and non-financial performance indicators in hospitality.

What's in this issue:

**THE ECONOMICS
OF QUALITY**

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The Economics of Quality

DR EMMA REARDON

Hotels are a significant contributor to economic and social life in Ireland, both in their own right and as part of the wider tourism industry. In light of the major economic challenges and geopolitical concerns in which hotel businesses are frequently exposed to, this research empirically explored how quality is perceived and managed by the sector, and investigated if other forces are influencing the correlation between quality management, productivity, and profitability in service operations. This research utilised a two-phase mixed-methods approach to explore a systems approach to quality management in hotels, as well as the financial considerations of such practices.

The study concluded that the basis on which a hotel prepares its financial statements, in addition to the negative perceptions of a systems approach to quality management, have adversely impacted a hotel's ability to clearly define the quality resources (input) that influence the economic performance of a hotel (output). In debunking industry practitioners' negative perceptions found to exist of a systems approach to quality management, this study extends the body of knowledge around how user-generated content, the hotel workforce and more industry-specific quality award programmes continue to be significant input resources for hotels to manage.

The study highlights the importance of people in future research untangling the complex association between quality management, productivity, and profitability. It also has wider implications on global service operations and policymakers in planning strategic initiatives related to formalised quality management systems and practices.

**FOR FUTURE UPDATES
ON THIS RESEARCH**

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