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# IMPACT OF "SOFT" TOTAL QUALITY MANAGEMENT PRACTICES ON HOTEL'S PERFORMANCE: AN EMPIRICAL EVIDENCE FROM VIET NAM

Dam Thi Thuy[1]

[1]Thuyloi University, Vietnam

Corresponding Author: Dam Thi Thuy
Corresponding Author Email: thuydt@tlu.edu.vn

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## ABSTRACT

The aim of this study is to assess the impact of soft TQM practices on the business performance of hotels in Vietnam's current business climate. Data was collected from 190 hotels rated three stars or higher in 2022. Using a SEM model, the author found that soft TQM practices such as customer focus, senior leadership commitment, employee engagement, and employee training positively affect hotel business results. Specifically, hotels should prioritize employee engagement and customer focus, as these factors have the greatest impact on business outcomes.

**Keywords:** TQM, Soft TQM, Hotel's Performance, Vietnam.

## INTRODUCTION

The constantly evolving business environment presents both opportunities and challenges for today's businesses. After the Covid-19 pandemic, companies are facing even more difficulties. The first challenge is the difficulty of finding replacement staff for businesses resuming operations after the pandemic, as many employees left before the outbreak. The second challenge is that the pandemic has intensified the trend of digital transformation in businesses. Companies that are slow to adapt to this trend will struggle to keep up. This is particularly

true for hotels, which must now return to work in new conditions and compete with other businesses that have undergone digital transformation. This situation has created numerous difficulties for hotels in Vietnam. According to statistics from the General Statistics Office of Vietnam, the contribution of the accommodation and catering services industry to Vietnam's GDP has decreased from 2019 to 2021. Additionally, the number of international visitors to Vietnam is expected to decrease by more than 90% in 2021 compared to 2020 (General Statistics Office of Vietnam, 2022). In the context of hotel businesses being heavily impacted by the Covid-19 epidemic from 2019 to 2021, and in light of fierce competition among accommodation providers, hotels must optimize their systems and improve service quality to retain existing customers.

Total Quality Management (TQM) is a management approach that emphasizes quality and involves all members of an organization in achieving long-term success through customer satisfaction and benefits to society. Over the past three decades, TQM has gained widespread attention, and many organizations worldwide have achieved success by implementing TQM principles. However, since the mid-1990s, the research focus has shifted from TQM as a general management theory to the application of TQM methods, tools, and techniques. To ensure successful TQM implementation, companies require specific actionable strategies supplemented by the right methods, tools, and techniques (Dahlgaard et al., 2019). Despite this focus on technical factors, it's important not to overlook the role of human factors in TQM practice (Nguyen et al., 2022). Therefore, separating TQM into two factors (hard TQM, which relates to methods, tools, and techniques, and soft TQM, which relates to people and human resource management) is necessary to study the impact of human and technical factors in TQM practice in the context of Industry 4.0. This approach is consistent with the social-technical system theory (STS) association.

The purpose of this study was to investigate the influence of soft TQM practices on the business performance of hotels with three or more stars in Vietnam. To achieve this goal, the study aimed to answer the following specific questions:

1. How does the official implementation of soft TQM practices affect the business results of hotels?
2. Which factor in soft TQM practice has the strongest impact on the business results of hotels?

To address these questions, a conceptual framework was developed to establish the relationship between soft TQM practices and hotel performance. Data was collected from 202 hotels with three-star scale and above in various locations in Vietnam, including Hanoi, Ho Chi Minh City, Da Nang, Nha Trang, Hai Phong, and others. The data was analyzed using tests such as Cronbach’s Alpha, EFA, CFA and SEM analysis. The study found that soft TQM practices impact stronglyon the hotel’s performance.

My research helps hotel managers to improve hotel business results by focusing on specific soft TQM practices. This study also complements data-driven theoretical research in the hospitality industry on soft TQM practices - a topic that is still limited in this business and needs more research. to clarify. In the next section, I provide a literature review on the relationship between TQM practices and firm performance, helping to develop research hypotheses. Then, I describe the research methodology, followed by the presentation of the hypothesis testing results. Section five discusses the main findings and their implications.

Section six covers the limitations of this study and directions for future research. Finally, the conclusions are summarized in the final section.

## LITERATURE REVIEW

### Studies on TQM Practices Impact on Business Performance in a Number of Areas

One trend in the study of TQM is that the authors analyze the aspects of TQM. These studies do not focus on the fundamentals of TQM separately affecting firm performance but group TQM practices. In which, the most popular is the division according to the socio-technical system theory (STS) model (Appelbaum, 1997), in this way TQM consists of two elements: human factor - social factor and human factor. Technical factors – related to software, techniques, tools for quality control. Some documents call these two factors hard TQM (technical factors) and soft TQM (social factors).

In 1992, Wilkinson noted the "hard" aspect of QM in relation to a range of production techniques, such as statistical process control and quality function implementation, which reflect the production orientation of QM experts. The "soft" aspect of QM is more concerned with establishing customer awareness and managing human resources. Flynn et al. (1995) found that both soft and hard TQM practices are related to performance. Dow et al. (1999), using empirical data from Australian manufacturing firms, found that only three soft practices of TQM - customer focus, employee engagement, and shared vision - contribute significantly to the performance of the organization, while hard practices, including benchmarking, statistical process control, and agile manufacturing systems, do not significantly affect performance. Subsequently, Rahman & Bullock (2005) distinguished QM aspects into soft and hard categories. Many studies have since classified TQM practices into two aspects - people and technology - to examine their impact on business outputs at different levels. Abdallah (2013) examined the influence of soft and hard TQM practices on the level of TPM implementation in manufacturing companies in Jordan. Similarly, Khan et al. (2019), Zeng et al. (2016), and Ershadi et al. (2019) argue that it is necessary to distinguish between the aspects of TQM (hard and soft TQM). These studies have focused on examining the impact of hard and soft TQM on organizational performance and have obtained positive results.

In recent years, there has been a growing trend in research on TQM within the context of Industry 4.0, exploring how it impacts the performance of enterprises. Babatunde (2020) investigated the impact and capacity of Industry 4.0 on the hard and soft aspects of TQM, confirming the continued relevance of both soft and hard TQM practices for Industry 4.0. Similarly, Ali & Johl (2021) conducted a study to examine the relationship between TQM and Industry 4.0, focusing on the less explored topic of Quality 4.0. Through a literature review, they identified critical success factors for TQM 4.0, highlighting four soft dimensions and three hard aspects for effective implementation of Quality 4.0 in businesses.

Following up on their previous study, Ali & Johl (2021) conducted a quantitative study to analyze the relationship between TQM 4.0 and sustainable performance in Malaysian SMEs. Their research showed a positive and significant impact of both soft and hard TQM practices on financial, social, and environmental performance. To effectively implement Quality 4.0 in the manufacturing industries of small and medium-sized enterprises, it is important to recognize the distinct roles of hard and soft TQM.

In addition, Nguyen et al. (2022) used the Delphi method to weigh the factors in the TQM 4.0 model based on the STS theory, providing valuable insights for future researchers and practitioners evaluating the implementation of TQM 4.0 in the manufacturing sector.

**Studies on TQM in the Hospitality Industry**

When studying TQM in the hotel sector, we can see that the research trend in this industry follows the general trend of research on TQM practices in other fields, which involves the division of TQM practices into two directions: hard and soft practices in relation to hotel outputs. However, there are new studies that only evaluate or rank the factors of soft TQM practices according to their importance, without considering their impact on hotel operations. For example, Jusoh et al. (2018) used the Delphi method and hierarchical analysis to determine the weight of important TQM criteria. They found that the elements of soft TQM practices, such as internal cooperation, customer focus, and leadership, are important in TQM practices in the hospitality industry. However, the new study only identifies the important factors in the implementation of TQM in hotels, but does not take into account the TQM practices according to how those factors affect the hotel's operations. This makes it difficult for managers to make appropriate adjustments to specific elements of TQM to improve hotel output.

Several studies have examined the impact of hard and soft TQM practices on hotel performance. However, some studies only focus on theoretical research without experimental verification, such as the study by Hussain & Khan (2020). The two authors studied the literature and identified six important elements of TQM practice, including both hard and soft practices, such as quality policy, top management commitment, continuous improvement, quality improvement, training, and staff empowerment. These practices can generate positive outcomes for the bottom line of hotels. Jabbarzare & Shafighi (2019) focused their research on three aspects of soft TQM, including continuous improvement, customer focus, and employee engagement, which impact the business performance of 22 hotels in Malaysia. Based on regression analysis, the results show that the three TQM aspects mentioned above have a significant correlation with the hotel's business results, in which the continuous improvement factor plays the most important role. Future studies should expand on the soft TQM factors to explain more multidimensional changes in hotel performance.

Another study related to hard and soft TQM aspects in the hospitality industry was conducted by ElShaer & Shaker (2020), who studied how hard and soft TQM practices impact financial performance in the tourism and hospitality sectors in Egypt. Their research, conducted through SEM structural equation modeling, showed that soft TQM practices improve financial performance and hard TQM practices directly affect financial performance. Therefore, hotels and travel agents must allocate their resources to implement both hard and soft TQM to exploit the full effect of the TQM system. However, the new study only examines the impact of TQM on financial results. Future studies should expand on the impact of TQM on hotel performance, such as customer outcomes.

It is evident that many researchers have focused on studying TQM practices, and most studies confirm their positive impact on the business results of hotels. However, the research approach varies. Jabbarzare & Shafighi (2019) focused on three aspects of soft TQM in 22 hotels in Malaysia, which need to be further studied and expanded upon. Additionally, integrating TQM into Industry 4.0 is an emerging research trend in recent times. Therefore,

this study will delve deep into soft TQM practices in three to five-star hotels in Vietnam, based on the appropriate integration of soft TQM practices with Industry 4.0, considering the conditions of implementation in Vietnam.

## ANALYTICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

### Analytical Framework

#### *Derived from the Business Results of the Hotels*

In the hospitality industry, service delivery and customer experience are almost simultaneous, and employees have a high degree of interaction with hotel guests. For instance, when guests arrive at the hotel, they first interact with the security guard at the gate and the front desk staff. These employees are the face of the hotel and provide the customers' first impression of the hotel service. Therefore, they are expected to provide high-quality service to the guests ( (Karatepe & Karadas, 2015); (Lee, 2016); (Jha et al., 2017)) and handle customer complaints and requests effectively ( (Karatepe & Vatankkhah, 2015); (Karatepe, 2015)). For this reason, the human factor is an essential aspect of business operations in the hospitality industry, enhancing the quality of hotel services. High-quality human resources will help hotels provide high-quality services to customers (Yang et al., 2014).

The human factor mentioned above is aligned with the TQM philosophy, which aims to provide guests with high standards of hotel services and facilities. In today's digital age, hotel customers can easily access positive information about competitors' services, as well as negative information about certain hotel services on the internet. Therefore, high-quality customer service is crucial for the long-term success of hotels (Loveland et al., 2016) and is a determining factor in the success of the business (Choi & Dickson, 2009). This is consistent with the TQM philosophy, which is focused on meeting customer expectations and improving performance (Oakland, 2011) by enhancing products and services to meet customer needs and wants (Douglas, 2013).

#### *Socio-Technical System Theory STS*

Appelbaum (1997) argues that the widespread adoption of technology in all industries has led to increased interest in the socio-technical theory of STS. Subsequently, many researchers applied the STS theory to analyze TQM practices. Some authors even attempted to connect STS with TQM practices, such as Manz & Stewart (1997), who combined STS and TQM to achieve stability and enterprise flexibility. Chaudhuri & Jayaram (2018) also proposed using STS as a theoretical foundation to investigate the combined influence of social and engineering factors on quality management and sustainability. Many studies have adopted this approach, dividing TQM into two aspects: hard TQM (technical factors) and soft TQM (social factors).

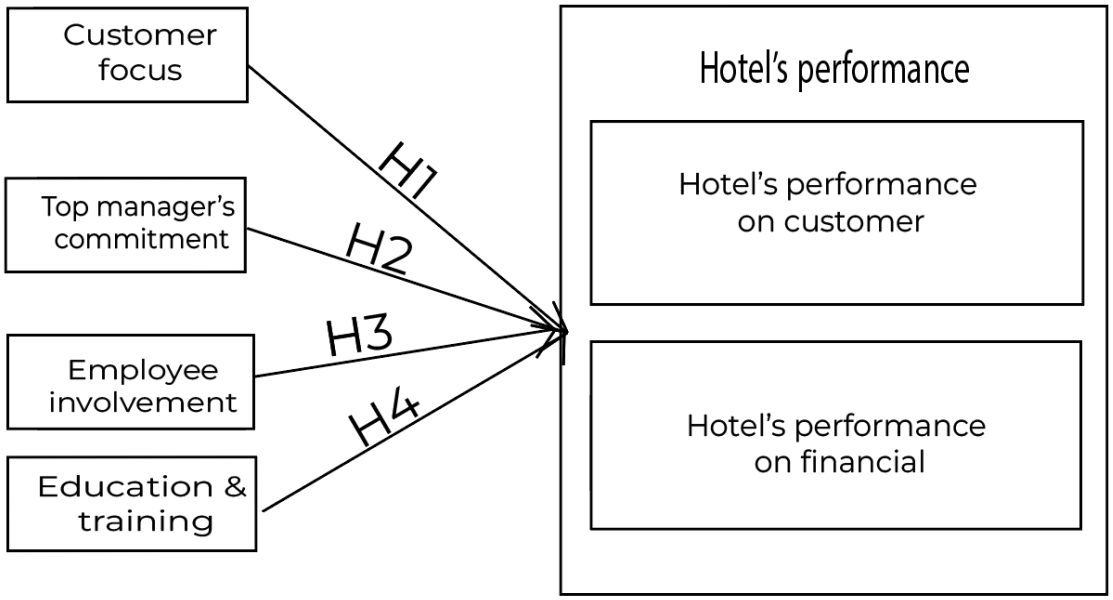
The development of Industry 4.0 has affected all aspects of business operations. While people are an essential factor in an organization, they play a vital role in deciding what kind of technology and practical application should be used in Industry 4.0 enterprises. The STS theory advocates flexibility, a high degree of autonomy, and employee empowerment. Therefore, this theory complements the traditional TQM and technological engineering elements of Industry 4.0, which can be rigid at times.

In this study, the author has adopted the STS theory to approach TQM practice, dividing it into two factors - social and technical, which is relatively appropriate. The focus is on the human factor - the social factor - soft TQM practice, given its significance in the hotel

industry, as analyzed above. Thus, based on the TQM division proposed by the STS theory, the author has incorporated the practical aspect of soft TQM - social factors - into the analysis model.

***Analytical Framework***

From the analysis shown above, the author studies TQM practices in hotels according to the following model:




Figue 1 - The proposed analytical framework

Figue 1 is the author's proposed research model based on document analysis. In there:

- Soft TQM: Soft TQM can be broadly defined as quality management practices geared towards the participation and commitment of management and employees, training, learning and collaboration internally or working under group - in other words, promote the human aspects of the system (Zeng et al. , 2016). Soft practices often involve human aspects such as employee engagement, management's commitment to quality, training and learning, and teamwork (Zeng et al., 2014). Therefore, soft TQM practices are long-term factors related to management issues and aspects and must be considered and targeted in the company's TQM strategy and subsequent implementation plan ( (Lewis et al., 2005); (Vouzas & Psychogios , 2007)). Soft practices are more difficult to quantify and, therefore, measuring and evaluating them is a challenging issue for management (Samson & Terziovski, 1999). Powell (1995) asserts that organizations that have adopted soft TQM methods can outperform their competitors without an accompanying TQM philosophy.

Table 1

*Document Review of Elements of Soft TQM Practices used in this Study*

| Soft TQM practices | S1 | S2 | S3 | S4 | S5 | S6 | S7 | S8 | S9 |
|---|---|---|---|---|---|---|---|---|---|
| Customer focus | v | | v | v | v | v | v | v | v |
| Top management's commitment | v | | v | v | | | | v | v |
| Education and training | v | v | v | v | v | v | v | v | v |
| Employee involvement | | v | | | v | v | v | v | v |

Sources:

S1: (Ali & Johl, 2021)

S2: (Zeng et al. , 2016)

S3: (Abdallah, 2013)

S4: (Ershadi et al., 2019)
S5: (Khan et al., 2019)
S6: (Fotopoulos & Psomas, 2009)
S7: (Rahman & Bullock, 2005)
S8: (Yunis et al., 2013)
S9: (Psomas et al., 2014)

Source: The author synthetic

Based on the literature review, soft TQM includes the following elements: leadership commitment (TM), customer focus (CF), workforce participation (SI), and training and development (TD).

1) Customer focus (CF): involves identifying customer wants and needs to satisfy them, meet or exceed customer requirements and expectations, and possibly achieve better business performance.

2) Top management's commitment (TM): refers to top management understanding the importance of quality and providing necessary support for implementation (Sony et al., 2022). Top management should be involved in developing a quality improvement-based strategy and encouraging employee involvement in product/process quality improvement.

3) Education and training (ET): According to Ali and Johl (2021), employee training and learning plays a crucial role in TQM. This involves creating a learning environment for employees within an organization to enhance their overall performance in the workplace, as noted by (Deshpande, 2019)

4) Employee involvement (EI): A workforce that participates in quality business activities encourages employees to work in groups, exchange ideas, and collaborate on ways to improve quality, increase productivity, and introduce new methods and skills (Abdallah, 2013).

**Hypothesis Development**

Industry 4.0 will allow businesses to provide products or services that meet the needs or desires of their customers, satisfy customers, and enhance customer loyalty (Daróczi et al., 2019). In addition, technology applications in Industry 4.0 will help businesses easily provide personalized products/services on a regular basis to customers (Sader et al., 2017). Research by (Amin et al., 2017) also shows that customer focus plays an important role in improving hotel performance. This study suggests that Customer Focus can improve hotel performance. Therefore, we have the following research hypothesis:

*H1: Customer focus positively influences hotel performance.*

The success of quality assurance in today's fast-paced digital transformation, which is based on the acceptance of new technologies and Top management's commitment to quality, can facilitate the implementation of Industry 4.0 applications in organizations. Additionally, research by Amin et al. (2017) has demonstrated that leadership commitment plays a crucial role in enhancing hotel performance.

This study suggests that Top management's commitment can improve hotel performance. Therefore, we have the following research hypothesis:

*H2: Top management's commitment positively influences hotel performance.*

Trained employees are more likely to perform better in their tasks, exhibit flexibility in problem-solving, and inspire other employees to perform better (Kaynak, 2003). The integration of Industry 4.0 in employee training programs related to quality issues provides access to social media tools and networks, facilitating the exchange of ideas and experiences

both within and outside the organization (Sony et al., 2022). Additionally, technology can be leveraged to improve employee expertise and competence (Ali & Johl, 2021). Therefore, employee training and learning are critical components for the successful adoption and implementation of TQM in the current context. This study suggests that Education and training can improve hotel performance. Therefore, we have the following research hypothesis:

*H3: Education and training positively influences hotel performance.*

Jabbarzare & Shafighi (2019) found that Employee involvement has a significant impact on business performance in the hotel industry. Therefore, this study suggests that Employee involvement can improve hotel performance. Therefore, we have the following research hypothesis:

*H4: Employee involvement positively influences hotel performance.*

## DATA COLLECTION

### Measures

The specific scale comprises four soft TQM factors (customer focus, top management's commitment, employee involvement, and education and training) and two hotel business performance elements (customer results and financial results). The author designed a questionnaire based on this scale and sent it to eight hotel managers in Vietnam. All of the managers provided positive feedback, stating that the questionnaire was appropriately worded and suitable for conducting large-scale research.

### Sample

Data was collected from 190 hotels with three stars or more located in major cities, such as Hanoi, Da Nang, Hue, and Nha Trang. In order to gather data from these locations, it was necessary to involve hotel managers who are familiar with the operations of their hotels and the implementation of quality measurements. These managers were able to provide accurate answers about the current state of soft TQM application in their hotels.

### Meassurement Test

The reliability of the scale is checked through several tests, including Cronbach's Alpha, exploratory factor analysis (EFA), convergence test, discriminant test, and confirmatory factor analysis (CFA).

To ensure a reliable scale, the Cronbach's Alpha value for each scale should be greater than 0.7, and the total correlation coefficient of each variable should be greater than 0.3. The convergence and discriminability of the scale are evaluated based on the combined reliability coefficient (CR) > 0.7 and the extracted mean coefficient of variance (AVE) > 0.5.

The values obtained from the Cronbach's Alpha test, convergence test, and discriminant test are presented in detail. Additionally, CFA is conducted to confirm the factor structure of the scale in the following Table 2:

Table 2

*Cronbach's Alpha and Composite Reliability (CR) coefficients*

| Factor | Items | Corrected Item-Total Correlation | Cronbach's Alpha | CR | AVE |
|---|---|---|---|---|---|
| | CF1 | 0.709 | | | |
| | CF2 | 0.718 | | | |
| | CF3 | 0.672 | | | |
| Customer | CF4 | 0.553 | 0.841 | 0.840 | 0.478 |
| Focus | CF5 | 0.469 | | | |

| Factor | Items | Corrected Item-Total Correlation | Cronbach's Alpha | CR | AVE |
|---|---|---|---|---|---|
| | CF6 | 0.596 | | | |
| | TM1 | 0.896 | | | |
| | TM2 | 0.868 | | | |
| | TM3 | 0.833 | | | |
| Top management's commitment | TM4 | 0.818 | 0.955 | 0.955 | 0.781 |
| | TM5 | 0.858 | | | |
| | TM6 | 0.886 | | | |
| | EI1 | 0.920 | | | |
| | EI2 | 0.917 | | | |
| | EI3 | 0.904 | | | |
| Employee involvement | EI4 | 0.889 | 0.967 | 0.969 | 0.862 |
| | EI5 | 0.918 | | | |
| | ET1 | 0.755 | | | |
| | ET2 | 0.780 | | | |
| | ET3 | 0.853 | | | |
| | ET4 | 0.727 | | | |
| Education Training | ET5 | 0.842 | 0.934 | 0.935 | 0.673 |
| | ET6 | 0.759 | | | |
| | ET7 | 0.803 | | | |
| | HPcus1 | 0.538 | | | |
| Hotel performance on customer | HPcus2 | 0.732 | | | |
| | HPcus3 | 0.737 | 0.808 | 0.813 | 0.536 |
| | HPcus4 | 0.512 | | | |
| | Hpfina1 | 0.721 | | | |
| Hotel performance on financial | Hpfina2 | 0.751 | | | |
| | Hpfina3 | 0.615 | 0.850 | 0.853 | 0.595 |
| | Hpfina4 | 0.676 | | | |

Table 2 confirms that the scale is reliable as the values of Cronbach's Alpha, convergence, and discriminant fall within the acceptable range. The AVE value of the CF scale is close to 0.5, the CR value of the CF scale is 0.840, which exceeds the minimum threshold of 0.7. When combined with the results of Cronbach's Alpha, we can conclude that the CF scale remains reliable for further analysis.

During the EFA factor analysis, the KMO coefficient of the scale is 0.893, and the Barlett test has a significance level of less than 0.05, indicating that the factor analysis is appropriate. The results show that the sub-items of each scale converge with the original subscale.

To determine how well the observed variables represent factors, a confirmatory factor analysis (CFA) was conducted. Chi-squared indices, CFI, and RMSEA were used to assess the fit of the measurement model. The model is deemed appropriate if CFA tests, such as the Chi-square test, have a p-value greater than 0.05, CMIN/df is less than or equal to 5, CFI and TLI coefficients are both greater than or equal to 0.9, and RMSEA is less than or equal to 0.08 (Hair et al., 2010). The results of the CFA are presented in detail in the folowing Table 3:

Table 3

*CFA Model Fit*

| STT | Condition | CFA result Result | Conclusion |
|---|---|---|---|
| 1 | RMSEA ≤ 0.08 | RMSEA = 0.047 | Satisfy |
| 2 | CFI > 0.9 | CFI = 0.912 | Satisfy |
| 3 | TLI > 0.8 | TLI = 0.896 | Satisfy |
| 4 | CMIN/df < 3 | Cmin/df = 1.993 | Satisfy |

The test results of the aforementioned scale indicate that the Soft TQM Practice scale and the Hotel performance scale of the initially included hotels are appropriate for further analysis.

**Hypothesis Testing**

After determining that the scales are reliable, the author will test the research hypothesis by analyzing the SEM structural equation on AMOS. The results of SEM analysis are shown in detail in the folowing Table 4:

Table 4

*The Result of Hypothesis Testing*

| Hypothesis | The Relationship | | | Standardized Regression Weight | P | Conclusion |
|---|---|---|---|---|---|---|
| $H_1$ | Hotel's performance | <--- | Customer Focus | 0.387 | 0.0001 | Supported |
| $H_2$ | Hotel's performance | <--- | Top management's commitment | 0.261 | 0.0001 | Supported |
| $H_3$ | Hotel's performance | <--- | Employee involvement | 0.662 | 0.0001 | Supported |
| $H_4$ | Hotel's performance | <--- | Education Training | 0.134 | 0.041 | Supported |

The results of Table 4 show that, with the significance level of 95%, the initial assumptions are accepted, the soft TQM practice scales, which were introduced at the beginning, include Customer Focus, Top Management's Commitment, Employee Involvement, and Education and Training. All of these factors have an impact on the hotel's performance, although the extent of their impact may vary. Therefore, hotel managers who aim to improve their business results should focus on these factors. The implications for managers are discussed in the following section.

**Discussion and Implications**

Firstly, it can be concluded that the factor with the strongest impact on hotel business performance among the soft TQM practices introduced at the beginning is Employee Involvement, with a standardized regression coefficient of up to 0.662. This means that if hotel owners want to improve their business results, they should focus on their employees first. Hotel owners should involve their employees in improving the hotel's products, services, and processes, and allow them to voice their opinions or ask questions regarding any employee issues. Additionally, hotel owners should also pay attention to improving teamwork, cooperation, and employee commitment. As demonstrated in the analytical model, human factors play a crucial role in service businesses such as the hotel service industry, which is supported by the views of Karatepe and Karadas (2015), Lee (2016), Jha et al. (2017), and Yang et al. (2014). Therefore, the results of this study indicate that the factor with the strongest impact on hotel performance among the soft TQM practices is Employee Involvement, which is in line with the original theory. This finding is also supported by the studies of Jabbarzare and Shafighi (2019) and Abdallah (2013).

Secondly, the factor that has the second strongest impact on hotel business performance is Customer focus, with a standardized regression coefficient of 0.387. After employees, customers play the second most important role in hotel operations if hotels want to improve their business results. To focus on customers, hotel managers need to understand their needs

and help hotel staff understand the importance of satisfying them. Not only employees, but also managers, supervisors, and senior managers need to clearly understand that meeting customer needs and satisfaction is crucial for every hotel. This finding is also supported by previous studies such as Amin et al. (2017) and Ali and Johl (2021).

Thirdly, besides focusing on employees and customers, another factor that requires attention from hotels when aiming to improve their business performance is Top Management's commitment. It has a standardized regression coefficient of 0.261, ranking third in importance. Without the understanding, commitment, and involvement of senior management in total quality programs, the staff or customer focus alone cannot make the TQM programs successful. Top management of hotels should anticipate changes in the current tourism industry landscape and encourage employee participation in planning to adapt to such changes. They should also actively pursue digital transformation in hotel operations to help hotels improve quality and cope with unpredictable changes in the business environment. These findings are also supported by previous studies, such as Amin et al. (2017).

Lastly, proper attention should be given to employee training. Hotels need to allocate resources for online education and training activities for their employees, especially in the context of Covid-19 and the current trend of digital transformation. Emphasis should be placed on training employees in quality management methods and improvement programs to help improve the quality of their services. As Deshpande (2019) and Sony et al. (2020) suggest, focusing on employee training to improve quality is crucial for businesses to achieve better results.

## CONCLUSIONS

This study offers empirical evidence on the implementation of soft TQM practices in hotels in Vietnam and highlights the importance of studying TQM practices in the context of digital transformation in existing businesses. The study emphasizes the need for hotel managers to focus on both employees and customers and to adopt a proactive mindset to improve business results in the aftermath of the Covid-19 pandemic in Vietnam's tourism industry. Furthermore, the study suggests that future research should explore the effectiveness of TQM practices in the Vietnamese hospitality industry and their impact on customer satisfaction and loyalty.

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