

To Noel October 09. To Jafar October 10.

## CHAPTER XX

# SERVICE QUALITY STRATEGY

## Implementation in Algarve Hotels

**Carlos J. F. Cândido**

Universidade do Algarve, Portugal

**Abridgement:** This chapter addresses the problem of service quality strategy implementation and undertakes a tentative validation of three models. The first focuses on service quality, as a function of quality gaps, while the second and third ones examine strategy implementation. The models aim to help to explain how to implement a service quality strategy that simultaneously avoids quality gaps and resistance to change. Sample data has been collected through questionnaires distributed within the population of four- and five-star hotels of the Algarve, Portugal. Descriptive statistics and statistical tests do not provide evidence against the models and thus support their validity, but raise concerns about some possible inconsistent management practices during the implementation of a quality strategy. **Keywords:** strategy implementation; total quality management; quality gap; Algarve; hotel sector

## INTRODUCTION

The purpose of this chapter is to discuss issues in implementing service quality strategies in the hotel sector. The problem can be defined more precisely as how to implement a strategy of quality which focuses on customers' needs in a service organization or, alternatively, as how to integrate coherently a successful, customer-centered service quality strategy, while accounting for the requirements and idiosyncrasies of operationalization. The nature and scope of this research topic is based in the confluence of the areas of service quality and of strategy implementation. Thus, addressing this problem naturally requires a review of the literature on both subjects. An examination of service quality reveals firstly that it is conceptualized as a function of service quality gaps (SQGs); secondly, that there are several models discussing such gaps; and thirdly that there are several types of SQGs reported in the literature which are not included in existing models, thus suggesting the need for developing an encompassing synthesized model. The chapter considers the existing SQG models and other quality inconsistencies to propose a comprehensive model (Cândido and Morris 2000).

Further, a review of the literature of strategy implementation reveals a lack of clear, detailed, and general strategy implementation models, and that those available can be separated into two distinct types - static and dynamic models. Both these types of models differ considerably in the number and nature of the implementation dimensions included, thus suggesting a need for an integrative effort. This discussion consequently considers several existing models to propose new synthesized static and dynamic ones (Cândido and Morris 2001).

Together the new static and dynamic models developed here can be taken to show what organizational dimensions may be changed at each implementation process stage. These

two models can also be combined with SQGs to propose a map of the pattern of the quality gaps occurring at each implementation stage; the organizational variables that can be manipulated at each stage to prevent and eliminate the gaps; and thus identify implications for practicing managers (Cândido 2001; Cândido and Morris 2001).

These static, dynamic and SQGs models are tentatively validated using data from a sample of four and five-star hotels of the Algarve (FFSHA), Portugal. The same data has also been used elsewhere to describe how FFSHA are implementing service quality strategies; how they prevent and eliminate SQGs; how management practices differs according to hotel ownership (international and Portuguese chains and independent hotels); and what can be learned from the differences in ownership (Cândido 2001, 2003).

## SERVICE QUALITY STRATEGY IMPLEMENTATION

Andrews, Learned, Christensen and Guth (1969:19) have defined strategy implementation as “comprised of a series of subactivities which are primarily administrative”. Such administrative subactivities include the allocation or reallocation of resources (funds, equipment, personnel) and the adjustment of the organizational structure (Chandler 1962). More recently, however, other management activities have also been recognized as having substantial relevance in the implementation of strategy. These are related to individual and organizational behavior—namely, to internal resistance and barriers to the changes that are introduced as a consequence of the new strategy content. Ansoff and McDonnell (1990) have defined implementation as a process that establishes a desired organizational behavior, in accordance with the strategy content. “Implementation is the process of causing the firm to behave in accordance with the purposes, guidelines and strategies” (Ansoff and McDonnell 1990:308).

Johnson and Scholes (1999) offer a definition that captures both administrative and behavioral aspects of implementation. This chapter adopts this and hence defines implementation as the execution of a new strategy, which entails a sequence of actions involving (almost) every organizational department/resource in a coordinated way. Such execution results in actual changes in the direction of the organization. Implementing strategy means giving a different shape to what is already being done, or introducing substantial modifications of, for instance, competencies, activities, processes, norms, products, and services. Strategy content specifies what should be done, how, and for whom; implementation makes it a reality.

Resistance to change is always a serious hindrance; it is one of the most important strategy implementation obstacles, but not the only one. Alexander (1985), for instance, identifies at least ten frequent problems. Given such a large number of potential problems that can occur, it is not surprising that researchers have estimated a rate of strategy implementation failure of between 50 and 90% (Cândido and Santos 2008, 2009). Consequently, over the last four decades researchers have tried to understand why strategy fails so frequently and to provide better change management models that can help administrators to overcome this high failure rate.

### *Static Models*

To change the behavior of an organization, all of its fundamental aspects and circumstances have to be studied (Lewin 1947). Some models have been proposed that capture these fundamental aspects at a particular point in time. Since these models are like photographs, they may be called “static models”. There are several, emphasizing specific dimensions of organizations. These include, Leavitt’s (1964) model of the organization,

the 7-S model (Peters, Waterman & Phillips 1980), Irons' (1991) organizational factors, Hussey's (1996a) strategy implementation dimensions, Ansoff and McDonnell's (1990) organizational architecture, and Johnson and Scholes' (1999) cultural web. A common feature of these models is that they identify the fundamental variables which managers should take into consideration when implementing strategy.

A summary of these models has been synthesized, and is shown in Figure 1. By listing 20 essential dimensions, represented as ellipses, overlapping each with every other ellipse, the model emphasizes the diversity of dimensions that can be involved in strategy implementation and the intricacy of their interrelationships. Definitions are not provided here, but have been compiled from the references given above and other sources and can be seen in Cândido (2001).

<Figure 1 here>

The 20 dimensions included in this model are, simultaneously, elements which can be manipulated and have to be coordinated and aligned coherently (Hussey 1996b; Peters et al 1980); which must be monitored through information collection and distribution; which may be in a zone of uncomfortable organizational debate, because of vested interests, bases of power, attitudes, and beliefs (Johnson and Scholes 1999); and are interdependent and when changed affect all the others. Some of these effects will be helpful or compensatory, others will be harmful or retaliatory (Leavitt 1964; Leavitt, Dill and Eyring 1973).

These 20 dimensions and their relationships can determine the success or failure of any strategic change (Hussey 1996b; Johnson and Scholes 1999). Thus, they have been grouped in an instrument that can be used to facilitate a better and richer diagnosis (Peters

1984); to stimulate thinking, and to assess the extent of change necessary in each dimension (Johnson and Scholes 1999); and to help in planning for change. Essentially, the model aims to provide a list of all basic dimensions that can constitute important areas for management intervention during strategy formulation and implementation.

### *Dynamic Models*

Dynamic models are generic processes of strategy formulation and implementation. They indicate and define the steps that can be followed to successfully implement a strategy which significantly modifies the current situation of an organization on most or all of its dimensions. What distinguishes these dynamic models from traditional strategic decisionmaking processes (Gore, Murray and Richardson 1992) is a higher concern for overcoming implementation difficulties. Traditional strategic decisionmaking processes suffer from employees' resistance to change, because they leave to the end the persuasion of those who have to implement the strategy, whereas dynamic models are developed to overcome resistance (Johnson and Scholes 1999)

Examples of dynamic models in the literature are those by Lewin (1952), Schein (1964), Ansoff and McDonnell (1990), Hussey (1996a), Galpin (1997), and Johnson and Scholes (1999). These are not based on coercion, slow adaptation, or crisis management but adopt managed change methods (Johnson and Scholes 1999), also called managed resistance strategic change methods (Ansoff and McDonnell 1990). Such dynamic models vary significantly in the number and nature of the stages they include, which suggests the need for an integrative effort. Figure 2 represents such a synthesis. Detailed descriptions of each stage are not provided here, only a brief explanation of the three main groups of stages: unfreezing, changing, and refreezing (Cândido 2001 provides a detailed description of

each stage).

<Figure 2 here>

Unfreezing is the disturbance of the current cognitively and emotionally stable equilibrium of individuals in the organization (Lewin 1952; Schein 1964) to make them aware of the need for individual and organizational changes (Johnson and Scholes 1999). Support for undesired old attitudes is removed, whereas support for desired new attitudes is maximized (Schein 1964). Unfreezing includes three important stages which are ignored by traditional strategic decisionmaking processes: behavioral diagnosis of the organization, particularly of the forces pro and against change; development of a supportive climate for change; and development of implementability features that facilitate planning and implementation.

Changing entails moving to a new standard of group behavior (Lewin 1952). It requires a presentation of the direction for change, planning it, and the “actual process of learning new attitudes” (Schein 1964:335). Involving people in planning the details of change gives them the opportunity to help forge the new strategy and to learn through problem solving. Changing must also include the execution of actions that lead to a new external competitive positioning and to the development of a new organizational capability (Ansoff and McDonnell 1990), as well as monitoring, measuring, refining, and rewarding.

Refreezing is a period of stabilization of the new standards of behavior (Lewin 1952). It validates, confirms, and institutionalizes the changes already made and the new organizational model that has been instituted (Johnson and Scholes 1999). Refreezing may require some additional changes and is completed only when “the new culture and power structure are [fully] supportive of the new strategy” (Ansoff and McDonnell 1990:415). Sustaining change is an alternative to refreezing and consists of developing the ability to

change continually.

The process in this dynamic model has been disaggregated into 16 stages as shown in Figure 2. The particular sequence of these stages may be contestable, as the sequence of steps and the definitions given for each stage, varies in the six models that have been studied and are not easily reconciled. This suggests that there is no one best method for all organizations, and that the model synthesized here may have to be adjusted according to circumstances. The sequence of stages is also difficult to establish because some stages may be interrupted and resumed later or may occur more than once, in an iterative cycle. For instance, information building and organizational debate may occur more than once. Some stages may also overlap with others. For example, modular planning may overlap with experimentation or realignment (Ansoff and McDonnell 1990). These stages are, however, separated and individualized because they are sufficiently important parts of the process and because of their identifiable, distinct nature.

### *Service Quality Gaps*

Some of the most influential models in the service management literature (Grönroos 1990) focus on the concept of a service quality gap (SQG). Parasuraman, Zeithaml and Berry (1985) define a pioneering model with five SQGs, the concepts of which are further developed in the model of Brogowicz, Delene and Lyth (1990). The latter has five types of gaps: those related to information and feedback, design, implementation, communication, and customers' perceptions and expectations. Other authors (Brown and Swartz 1989) have also identified relevant SQGs that have not been considered previously. This chapter integrates previous models and a group of SQGs dispersed through the literature into a new comprehensive model shown in Table 1.

<Table 1 here>

To develop this model, references to possible service quality inconsistencies, some of which explicitly formalized as SQGs, were collected and integrated as explained in greater detail in Cândido and Morris (2000). A link can be drawn between the model and the stages of a strategy process, emphasizing the SQGs' impact on the process.

#### *Basic Assumption of a Mixed Model*

The idea of a mixed model seems to be implicit in some assumptions of static models. For instance, Hussey (1996a:7) states that the elements of the static model “should be examined each time there is a change in strategy” and “at each critical stage of the implementation process”. The need for this constant vigilance results from another “static” assumption; that some changes will have “secondary effects” which are not desirable or not even anticipated by managers (Leavitt 1964).

Because of unanticipated secondary effects, strategy implementation must involve the simultaneous monitoring, decisionmaking, and manipulation of the organizational dimensions of the static model at all of the different stages of the dynamic process. Hence, the methodological assumption that the combination of both models can contribute to the understanding of strategy implementation.

A similar argument, but with different results, has been elucidated by Hrebiniak and Joyce (1984). They noted that the activities of planning and organizing had been discussed separately in the literature as two distinct fields, although planning and organizing had implications for each other. They suggest that both (planning and organizing) are important for successful strategy implementation and that their relationships should also be studied. Thus, instead of studying only organizational variables (static model) or

decisionmaking processes (dynamic model) in isolation, the linkages between them must also be examined (Cândido 2001 offers a detailed discussion on this topic).

Therefore, the main proposition or basic assumption of the mixed model is defined as follows: in the process of strategy formulation and implementation, each organizational dimension (such as facilities, competencies, values, norms, information system) goes through a succession of several distinct states, until its desired final state is achieved. During this process, a dimension might be monitored continuously and “manipulated” several times, in different stages, according to its relevance to strategy and to progress of the change (Cândido 2001)

### *Study Objectives and Methods*

The objectives of this chapter are to:

1. Assess the synthesized models;
2. Examine the importance of eliminating each individual SQG;
3. Examine the importance of managing each organizational dimensions of the static model;
4. Examine the importance of each stage of the dynamic model;
5. Examine the order or sequence of those stages;
6. Determine the validity of the basic assumption underlying the mixed model;
7. Examine the organizational dimensions that can be manipulated, at each stage of the strategy process, to prevent and eliminate SQGs; and
8. Determine the relevance of the implications for managers deduced from the models.

The method chosen to address these objectives was the use of a survey instrument. As

the number of questions necessary to achieve all these objectives would make one questionnaire too extensive and unattractive for managers to complete, the relevant questions were divided into two different surveys which were administered at different times, separated by a considerable period. This period of approximately five months was necessary to ensure that hotel managers would be willing to answer all questions and was not considered to influence the data collected in any other way. The times for interviewing also had to coincide with the low season. The first questionnaire addressed objectives 1, 2 and 3 and the second, objectives 1 and 4 to 8.

Both questionnaires were initially sent by post, together with accompanying letters of introduction; one letter from the author, one letter from the author's faculty, and another letter from the influential Algarve Hotel and Tourism Enterprise Association. Both questionnaires were subsequently administered through face-to-face interviews. To secure the latter, personal appointments with each manager were made by telephone, just a few days after posting the questionnaires. This choice of interviewing method provided a better response rate, avoided item non-response, and allowed the respondent to ask for additional information or to clarify complex questions.

A 5-point Likert scale was used in several questions, with numeral 1 meaning "unimportant", 3 "average importance", and 5 "highly important". Several types of fixed-alternative questions were also used, including a special category of question that related the concepts of one model (such as the static model), to the concepts of another model (like the dynamic model or the SQG model). In order to ensure comparability between samples, only the managers interviewed for the first questionnaire were chosen for the second round, and around 70% of these managers agreed to be interviewed a second time.

### *Characterization of Respondents*

Table 2 exhibits the frequencies of four- and five-star hotels in the population of the Algarve hotel sector. There are 9 five-star (24%) and 28 four-star hotels (76%), composing a total of 37 (other categories of hotels were not considered in this study).

Table 2 also shows the frequency of four- and five-star hotels in the samples. The first sample has 6 five-star (23%) and 20 four-star hotels (77%), for a total of 26 (100%). The second sample has 4 five-star (22%) and 14 four-star hotels (78%), composing a total of 18 (100%). The first sample represents 70% of the population of FFSHA. It includes 67% of the five-star and 71% of the four-star hotels in Algarve. The second sample is smaller but still represents 49% of the population of FFSHA. It includes 44% of the five-star and 50% of the four-star hotels in Algarve.

<Table 2 here>

Table 2 shows that the distribution of hotels according to their category in the samples is similar to that of the population. Compared with the population, the first sample contains only 1% more of four-star and 1% less of five-star hotels, whereas the second sample presents only 2% more of four-star and 2% less of five-star hotels. These figures suggest that the samples are representative of the population, or at least that the figures do not provide evidence of a lack of sample representativeness.

Another important characteristic of the population is hotel dependence/independence. Some hotels belong to chains, while others are independent. Differences on this characteristic can have an important effect on the ways they are managed and on their performances. Table 3 indicates the results for the samples on this important dimension. It does not characterize the whole population, since the required data was not available.

<Table 3 here>

As Table 3 shows, for both samples, the majority of international chain hotels are five-star hotels, whereas most Portuguese chain hotels are four-star. All five stars are chain properties and all independents are four stars. The distributions and percentages, in the table, corresponding to both samples, are very similar (just as in Table 2), indicating that the relative compositions of the two samples are almost identical. Thus the samples are comparable and there is no evidence of a lack of representativeness. Parenthetically, the  $\chi^2$  goodness of fit test is not used, as some of the cell frequencies in Table 3 are very small or null.

#### *A Tentative Validation of the Models*

The proposed models have been tested using the data collected from the samples, and the results do not provide evidence against the models. A summary of how the data supports the validity of the models is given below.

*Service Quality Gap Model.* A 5-point Likert scale, as noted earlier, was used to assess the managers' opinion of the importance of each gap. All descriptive statistics computed suggest that managers are unanimous in considering all SQGs as very important—for most gaps, the mean answer is higher than 4 (Figure 3).

Binomial tests were also performed for each gap. For this purpose, the Likert scale was turned into a dichotomous scale, by joining together into one category, answers 1, 2 and 3, regarded as the “small and medium importance” answers, and into the other category, answers 4 and 5, regarded as the “high importance” answers. This was necessary, because the sample distributions of the answers for each gap are neither normally distributed nor symmetrical, which prevents the *t* test from being performed.

Results from the binomial tests suggest that more than half (>51%) of the hotel managers perceived 12 of the 14 gaps as having a high importance level (answers 4 and 5 in the second category). Similar tests suggest that between 35% and 51% of hotel managers considered the remaining two gaps very important (answers 4 and 5). Together, the descriptive statistics and the statistical tests provide strong support for the relevance of the 14 SQGs that constitute the gap model, particularly in the FFSHA. Nevertheless, this is merely a first and a tentative validation. A stronger case for the model would require additional research

<Figure 3 here>

*Static Model.* For each dimension of the static model, a “yes” or “no” response was used in order to assess the number of managers that consider it relevant to deal with them. The descriptive statistics computed make it plausible to conclude that all dimensions are relevant to hotels implementing a service quality strategy or trying to eliminate SQGs (Figure 4). Statistical binomial tests have also been performed, providing strong evidence that all dimensions in the static model are manipulated by a significant proportion of hotel managers in the population of FFSHA. These proportions may vary from dimension to dimension, but the tests indicate that they are higher than 10% and lower than 85%. This means that all dimensions in the model are relevant to managers taken as a group. However, the descriptive statistics also suggest that, when taken individually, most managers seem to manipulate only a limited group of variables. On average, each manager manipulates a limited set of around nine variables only.

Together, the data does not provide evidence against the static model, and further suggests that most individual managers manipulate only a limited set of dimensions. Thus

managers are not exploiting all the kinds of direct impacts that they could obtain from manipulating every dimension. The managers are either ignoring many of the organizational dimensions that can be managed or relying on the indirect effects that can be produced through interactions among dimensions. Such confidence in indirect effects does not seem appropriate, since these effects can be either insufficient or indeed opposed to the changes that are intended. Consequently, managers should try to expand the number of dimensions that they handle instead of relying only on their personal management experience with a limited set of variables.

<Figure 4 here>

*Dynamic Model.* A 5-point Likert scale, as stated before, was used to assess the importance of each stage of the dynamic model (in managers' opinions). All descriptive statistics computed indicate that managers consider every stage as very important—for all stages, the mean answer is higher than 4 (Figure 5). Managers do not feel the need to add any other stage to those already included in the model and the great majority of them agreed with the order of those stages. Binomial tests were also performed for each stage. The tests suggest that more than half (>51%) of the hotels consider 14 of the 16 stages as having a high importance level. Similar tests suggest that between 35% and 51% of hotel managers, considers the remaining two stages very important. In sum, the descriptive statistics and the statistical tests provide strong support for the relevance and order of the stages that constitute the dynamic model, particularly in the FFSHA. Again, this is merely a first and a tentative validation.

<Figure 5 here>

*Combination of the Static and Dynamic Models.* The basic premise of the mixed model is that in the process of strategy formulation and implementation, each organizational dimension (facilities, competencies, values, norms, information system, etc.) goes through a succession of several distinct states, until the desired final state is achieved. During this process, a dimension can be monitored continuously and “manipulated” several times, in different stages, according to its relevance to strategy and to progress of the change.

The great majority of the managers (82%) agree with this assumption. Only 6% expressed disagreement and the remaining 12% expressed slightly different opinions, which are not in total contradiction with the assumption. Hence, the basic assumption of the mixed model is not rejected by the great majority of the FFSHA, thus receiving supporting evidence (Table 4).

<Table 4 here>

*Link between the Mixed and the Gap Models.* A table was developed, using managers’ responses, linking the gaps to the mixed model. The results indicate, for each stage, the gaps associated with each organizational dimension and exhibit a distribution of the gaps different from that predicted in previous work (Cândido 2001; Cândido and Morris 2001). In spite of the differences, the most important features of the tables are basically coincident with that predicted. Thus, the theoretical conclusions extracted from the predicted table and the corresponding implications for managers are supported by the sample data. These findings and implications are several. One, SQGs occurring during the strategy implementation process can affect it and may become embedded in the organizational processes, routines, culture, and remaining organizational dimensions.

Two, when this happens, subsequent organizational activity will be severely affected; the implementation process will probably be considered unsuccessful; and the organization's competitiveness will be diminished.

Three, being aware of the SQGs that might occur can help in preventing them and in limiting their broader consequences. More generally, the challenge of implementation requires that managers are aware of the character and importance of each organizational dimension; of the eventual unanticipated behavior of organizational dimensions; of each stage of the dynamic strategy process; and of SQGs' pervasiveness, character, and behavior during the process. The proposed models can contribute to raising understanding of these factors. The models can also be adapted to specific organizations and be used to anticipate what SQGs might occur at each implementation stage, what organizational dimensions might be affected, and what organizational dimensions might be managed at each stage to eliminate the gaps.

Four, when a SQG does occur, and is recognized, it should not be underestimated by the manager for three reasons. One, the gap may not stand in isolation, but might coexist with others, making the problem much more complex than it seems. Two, manipulation of one organizational variable alone may be insufficient to eliminate any one gap—the elimination of which may require an integrated and coherent approach. Three, even if an existing gap has been dealt with and eliminated; it may reappear, at some later stage, for the same or for different reasons, making constant surveillance mandatory.

## CONCLUSION

Validation of the four models developed elsewhere (Cândido and Morris 2000, 2001) requires additional research, but attempts made here to disprove them has failed, providing

evidence that in fact supports their validity. Moreover, the features of the table linking the models and the resulting implications for managers are also supported by sample data.

These include several features and implications:

- SQGs can affect the strategy process and become embedded in the organization.
- Subsequent organizational activities and competitiveness will be severely affected.
- The challenge of implementation requires that managers understand every stage of the strategy process, every organizational dimension, and their possible unanticipated and inconsistent behavior during the process. An understanding of each SQG and of resistance to change is fundamental. The proposed models can help raising this understanding and should help to successfully implement any strategy. For instance, they would help in anticipating what organizational dimensions will be most affected by SQGs and by resistance, at each stage of the process, and what variables can be used to prevent and eliminate gaps and resistance.
- Managers should not underestimate SQGs, because a gap may not stand in isolation; because manipulation of one organizational variable alone may be insufficient to eliminate it; and because any gap may reappear, at some later stage.

This study concludes that individual managers, in the FFSHA, manipulate only a limited group of organizational variables. On average, each manager manipulates only nine of the variables in the static model, and hence is not exploiting all kinds of direct positive impacts that they can obtain. They are either ignoring many of the dimensions that can be managed or relying on the indirect effects that can be produced through interactions among dimensions. Such confidence in indirect effects does not seem appropriate, since these effects can be either insufficient or opposed to the changes that are intended. An

important implication from this conclusion is that managers should try to expand the number of dimensions that they manage instead of relying only on their personal experience with a limited set of variables. This study's data is examined further elsewhere, revealing additional management recommendations (Cândido 2001, 2003).

*Acknowledgements*—The author expresses profound gratitude to D. S. Morris for his invaluable contribution to this paper. He also acknowledges the funding support provided by the Portuguese/E.U. Programme “Sub-Programa Ciência e Tecnologia do 2º Quadro Comunitário de Apoio”; by Fundação para a Ciência e a Tecnologia (SFRH/BSAB/863/2008); by Faculdade de Economia, Universidade do Algarve; and by Newport Business School, University of Wales.

## REFERENCES

Alexander, L.

1985 Successfully Implementing Strategic Decisions. *In* Turning Strategy into Action, K. Irons, ed., pp. 9-15. Oxford: Pergamon Press.

Andrews, K., C. Christensen, E. Learned, and W. Guth

1969 Business Policy, Text and Cases, (revised ed.). Homewood: Irwin.

Ansoff, H., and E. McDonnell

1990 Implanting Strategic Management. New York, NY: Prentice Hall International.

Brogowicz, A., L. Delenem, and D. Lyth

1990 A Synthesised Service Quality Model with Managerial Implications. *International Journal of Service Industry Management* 1(1):27-46.

Brown, S., and T. Swartz

1989 A Gap Analysis of Professional Service Quality. *Journal of Marketing* 53(2):92-98.

Cândido, C.

- 2001 Implementation of a Service Quality Strategy: Application to the Algarve Hotel Industry. PhD thesis in Management, Sheffield Hallam University, UK. Sourced <ethos.bl.uk>.
- 2003 Contrasting Portuguese and International Service Quality Management in the Algarve Hotel Industry. *The International Journal of Applied Management* 4:37-54.
- Cândido, C., and D. Morris
- 2000 Charting Service Quality Gaps. *Total Quality Management* 11(4/5/6):S463-S472.
- 2001 The Implications of Service Quality Gaps for Strategy Implementation. *Total Quality Management* 12(7/8):825-833.
- Cândido, C., and S. Santos
- 2008 Strategy Implementation: What is the Failure Rate? *In* SLADE 2008 –2º Encontro Luso Brasileiro de Estratégia, F. Serra, M. Almeida and J. Esperança, eds. Lisboa: ISCTE. Sourced < www.elbe2008.org>.
- 2009 Taxa de Insucesso na Implementação da Estratégia Empresarial: Uma Questão Controversa. *Revista Portuguesa e Brasileira de Gestão* 8(2):10-18.
- Chandler, A.
- 1962 *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. Cambridge, MA: The MIT Press.
- Galpin, T.
- 1997 *Making Strategy Work: Building Sustainable Growth Capability*. San Francisco, CA: Jossey-Bass Publishers.
- Gore, C., K. Murray, and W. Richardson
- 1992 *Strategic Decision-Making*. London, United Kingdom: Cassell.
- Grönroos, C.
- 1990 *Service Management and Marketing: Managing the Moments of Truth in Service Competition*. MA: Lexington Books.
- Hrebiniak, L., and W. Joyce
- 1984 *Implementing Strategy*. New York, NY: Macmillan.
- Hussey, D.
- 1996a A Framework for Implementation. *In* *The Implementation Challenge*, D. Hussey, ed., pp. 1-14. Chichester: Wiley.

- 1996b Introduction. *In The Implementation Challenge*, D. Hussey, ed., pp. ix-xi.  
Chichester: Wiley
- Irons, K.
- 1991 Turning Strategy into Action. *In Turning Strategy into Action*, K. Irons, ed., pp. 1-5. Oxford: Pergamon.
- INE – Instituto Nacional de Estatística
- 1999 List of the hotel names, categories, addresses and other relevant information, provided by INE on special request. Lisbon: INE.
- Johnson, G., and K. Scholes
- 1999 *Exploring Corporate Strategy: Text and Cases*. Prentice Hall.
- Leavitt, H.
- 1964 Applied Organization Change in Industry: Structural, Technical, and Human Approaches. *In New Perspectives in Organization Research*, W. Cooper, H. Leavitt and M. Shelly. New York: Wiley.
- Leavitt, H., W. Dill, and H. Eyring
- 1973 *The Organizational World: A Systematic View of Managers and Management*. New York: Harcourt Brace Jovanovich.
- Lewin, K.
- 1947 Frontiers in Groups dynamics. *In Field Theory in Social Science: Selected Theoretical Papers*, K. Lewin, ed., pp. 188-237. London: Tavistock.
- 1952 *Field Theory in Social Science: Selected Theoretical Papers*. London: Tavistock.
- Parasuraman, A., V. Zeithaml, and L. Berry
- 1985 A Conceptual Model of Service Quality and Its Implications for Future Research. *Journal of Marketing* 49:41-50.
- Peters, T.
- 1984 Strategy Follows Structure: Developing Distinctive Skills. *California Management Review* 26(3):111-125.
- Peters, T., R. Waterman, and J. Phillips
- 1980 Structure is not Organization. *Business Horizons* 23(3):14-26.
- Schein, E.

1964 Management Development as a Process of Influence. *In* Readings in Managerial Psychology, H. Leavitt and L. Pondy, eds., 331-351. Chicago: The University of Chicago Press.

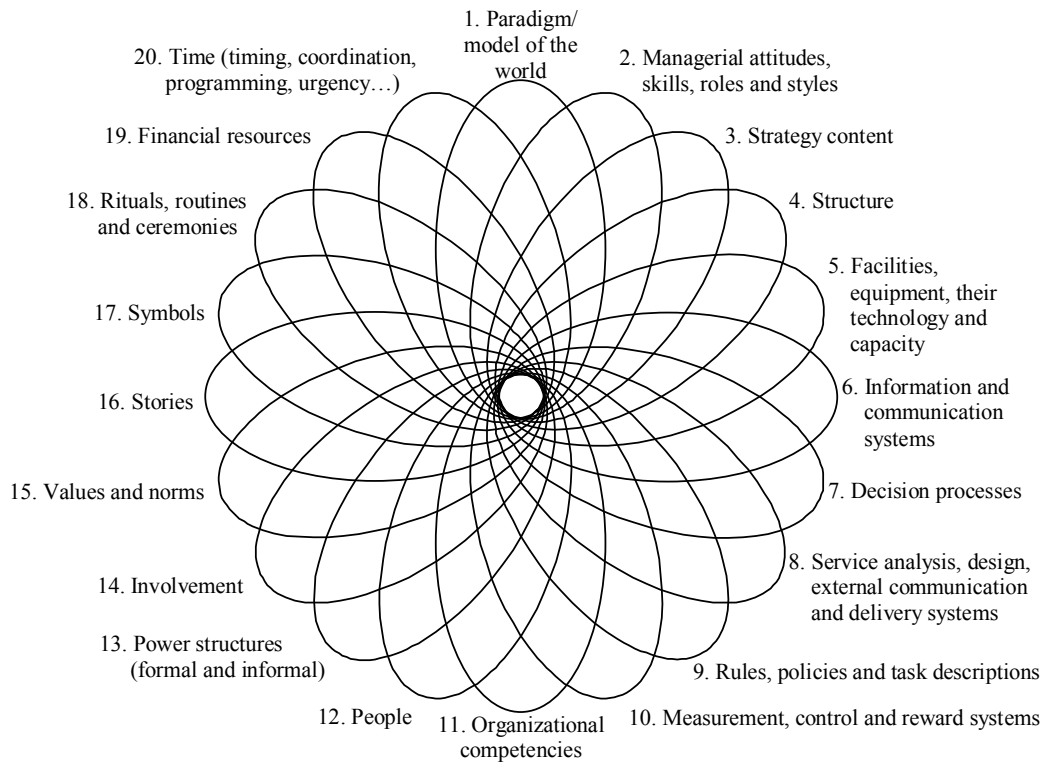


Figure 1 Static Model: Fundamental Dimensions of Strategy Implementation. *Source:* Cândido and Morris (2001).

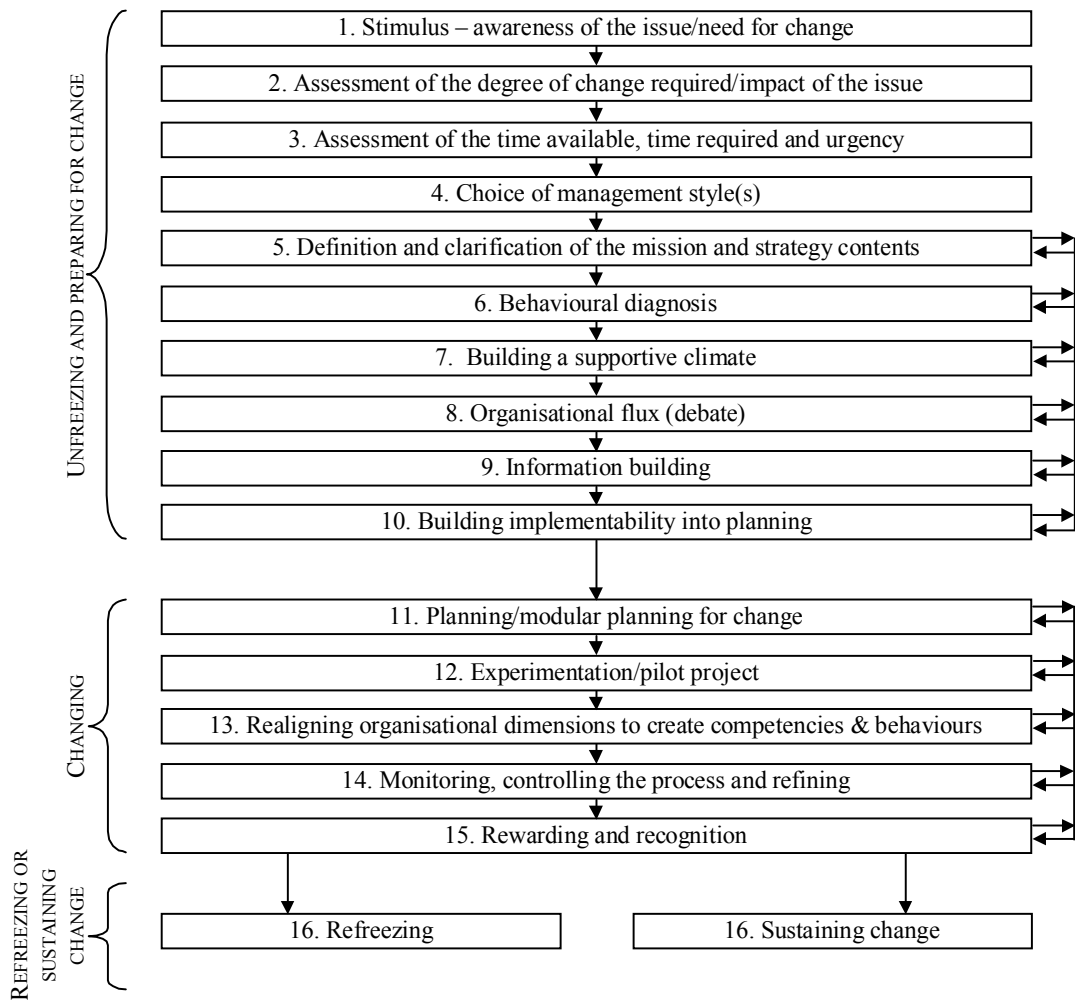


Figure 2 Dynamic Model: Strategy Implementation Avoiding Resistance to Change. *Source:* Cândido and Morris (2001).

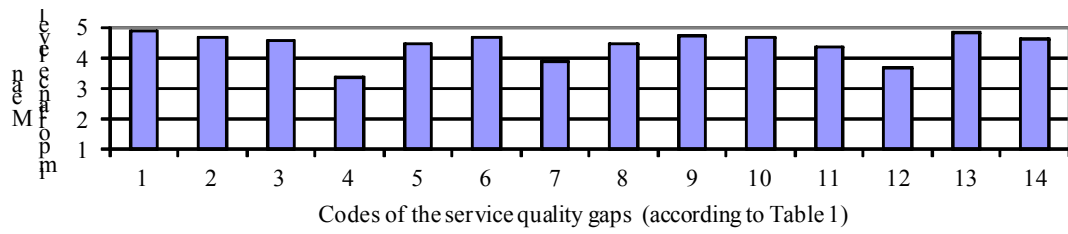


Figure 3 Mean Importance Level of the Gaps on a 5-point Likert Scale (Note: number of respondents: 26).

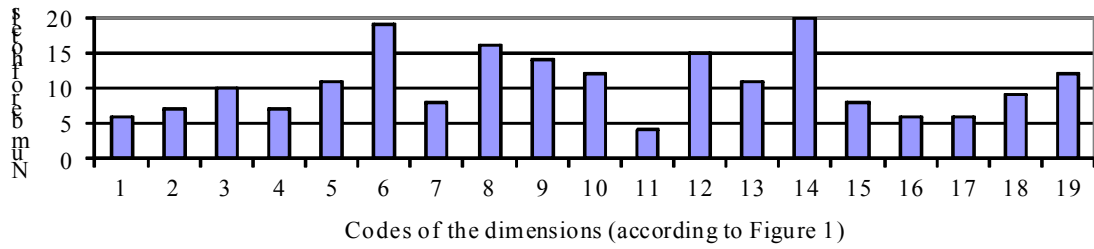


Figure 4 Number of Hotels Manipulating each Organizational Dimension. (Notes: The 20<sup>th</sup> dimension, time, is not considered here, as it is included in the dynamic model. Number of respondents: 24).

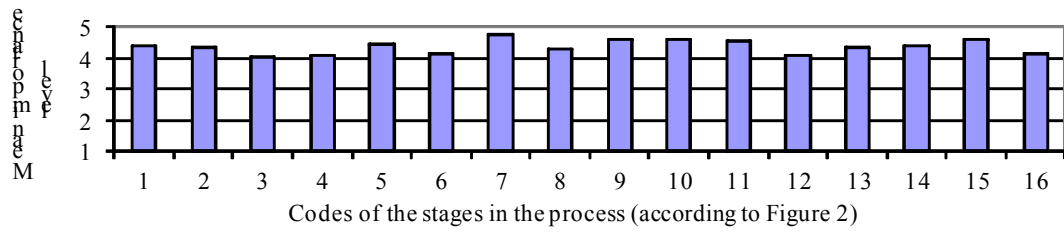


Figure 5 Mean Importance Level of the Stages in the Dynamic Model. (Note: number of respondents: 18).

**Table 1. The 14 Service Quality Gaps in the Model**

---

1. Management perceptions	8. Selection, training, and adequate levels of autonomy, power and rewards to personnel
2. Service quality strategy	9. Service delivery
3. Service design and service quality specifications in terms of customers' expectations	10. External communications
4. Quality supportive financial function	11. Contact personnel perceptions of customers' expectations
5. Internal communications	12. Contact personnel perceptions of customers' experiences
6. Integration/coordination	13. Customer perceptions
7. Coordination of other people and/or organizations in the value system	14. Service quality evaluation

---

*Source: Cândido and Morris (2000).*

**Table 2. Category of the Hotel**

Category	Population <sup>a</sup>		First Sample			Second Sample		
	Freq.	%	Freq.	%.	% of the population	Freq.	%	% of the population
5 star	9	24	6	23	67	4	22	44
4 star	28	76	20	77	71	14	78	50
Total	37	100	26	100	70	18	100	49

<sup>a</sup>Source: Instituto Nacional de Estadística (INE), (1999).

**Table 3. Independence and Category of the Hotels in the Samples**

Independence	First Sample				Total	Second Sample				Total
	5 star		4 star			5 star		4 star		
	Freq.	%	Freq.	%		Freq.	%	Freq.	%	
International chain	3	60	2	40	100	2	67	1	33	100
Portuguese chain	3	27	8	73	100	2	22	7	78	100
Independent hotel	0	0	10	100	100	0	0	6	100	100
Total	6	23	20	77	100	4	22	14	78	100

**Table 4. Intermediate States during Change in an Organizational Dimension**

Manager Opinion	Percentage
There are intermediate states. They deserve monitoring, deliberation and manipulation.	82%
Whether there are or not any intermediate states, they are not important from a management point of view. Eventual intermediate states need neither monitoring nor manipulation.	6%
Other opinion	12%
Total	100%