

GORDANA IVANKOVIČ, MSc, Assistant
Turistica - Faculty of Tourism, Portorož, Slovenia
NADA KLOBUČAR, Assistant
DARJANA VIDIC, Assistant
Faculty of Economics Ljubljana, University of Ljubljana, Slovenia

POSSIBILITIES AND LIMITATIONS FOR THE INTRODUCTION OF THE USALI STANDARD IN THE SLOVENE HOTEL COMPANIES

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Currently, Slovenia does not have the bases for the introduction of a uniform system of accounts for monitoring business performance in the hotel industry, called the USALI standard ("Uniform System of Accounts for The Lodging Industry"), which allows comparison of an individual hotel to similar hotels in a closer and wider area, has been the principal finding of the research ordered by the Slovenian Tourist Board and conducted by the Faculty of Economics, University of Ljubljana. The aim of the research was to examine the possibilities of the direct use of the USALI standard in Slovenia as well as about the necessary changes of the existing situation in the area of accounting records and other records in the hotel industry, so that the performance of the Slovene companies could be compared to the average of the hotel industry in the world, Europe and individual countries.

Key words: hospitality, Accounting, USALI.

INTRODUCTION

Despite the fact that the globalisation of the commodity, labour and capital markets encourages the harmonisation of accounting solutions and the use of uniform accounting standards, the economic, cultural and other particularities make individual countries stick to their national accounting solutions which differ considerably one from another.

In the area of accounting and presentation of the results of the business performance of hotels, the hotel industry is a step ahead of the other branches, since a uniform system of accounts, called the USALI standard, has been adopted for the hotel industry. On the basis of the USALI standard, the consulting agency Horwath prepares professional publications on the hotel industry for the whole world by continents, by individual countries, and even by individual cities [1, 16] every year. On the basis of accounting data, broken down according the principles of the USALI standard, and on the basis of other statistical indicators and hotel data, obtained by means of a uniform

questionnaire, the Horwath agency publishes annual comparative analyses of business and financial results and of performance of individual departments within hotels. This allows comparison of performance of an individual hotel with the suitable average.

All of the Western European countries and most of the other countries in the world have adopted the USALI standard and engaged in the annual international researches conducted by the Horwath agency. This enables the individual hotels to learn about their strengths, weaknesses, opportunities, and threats, and to find out whether their strategic goals and adopted strategies are still appropriate.

1. ACCOUNTING SOLUTIONS IN THE AREA OF HOTEL INDUSTRY IN SLOVENIA

Slovenia has a long tradition in the accounting area, which has been going on also in the independent state. The national legislation lay down only the general frameworks of accounting, which are set down in the Companies Act, whereas the accounting profession lays down in more detail the accounting solutions, which are defined in the Slovenian Accounting Standards (hereinafter referred to as: SAS) and harmonised in the Code of Accounting Principles [2, 3].

The SAS represent the obligatory rules on professional practice in the area of accounting, which have been formulated by the Slovenian Institute of Auditors. Their particularity is that they deal with the accounting as a totality for internal and external needs of the companies [3, 11]. The SAS cover a much broader area than is presently covered by the International Accounting Standards. The first 30 standards are general. They deal with the accounting principles and are obligatory for all companies in Slovenia. These are followed by 8 special standards (public companies, institutes, banks, insurance companies etc.), which deal with the accounting solutions for organisations of individual activities.

A special standard for the hotel industry has not yet been formulated, therefore this industry uses the accounting solutions defined in the general part of the SAS. Currently, there are also no statutory and other bases provided for the use of the USALI standard in hotels, and consequently, there are no possibilities for the introduction of the Slovene hotel companies in the international annual researches conducted by the Horwath agency.

In order to assess the existing situation of the hotel industry in Slovenia, the possibilities of the direct use of the USALI standard in Slovenia, and the necessary changes of the existing situation in the area of accounting records and other records in the hotel industry, so that performance of the Slovene companies could be compared to the average of the hotel industry in the world, Europe and individual countries, the Slovenian Tourist Board ordered a special research with the Faculty of Economics, University of Ljubljana. The most important findings are presented hereinafter.

2. PRESENTATION OF THE FINDINGS FROM THE REASERCH ON THE POSSIBILITIES OF THE DIRECT USE OF THE USALI STANDARD IN SLOVENIA

2.1. Formation of the database

To be able to conduct the research and to establish the existing situation in the hotel industry, the researchers first had to set up a database on hotels in Slovenia. This was not easy since Slovenia had no complete database with names and other information on hotels. The database was established on the basis of the following sources:

- hotel membership in the Association for Tourism and Catering with the Chamber of Commerce and Industry of Slovenia;
- publication *Hotels Rates 2001*;
- internal file of the Statistical Office of the Republic of Slovenia (hereinafter referred to as: SORS) – Tourism Statistics;
- business register of the SORS;
- lists of hotels, motels and health resorts obtained from the WAP;
- Business Directory of the Republic of Slovenia.

Incomplete data from individual sources were completed by the data obtained from the filled in questionnaires, since these were believed to be the most recent and the most authentic. With regard to the hotels, which were not included in the survey, the most important sources were the data from the *Hotel Rates 2001* and the data of the SORS – Tourism Statistics. Where this method did not provide all the data desired, or where these were illogical, the data were completed by telephone checking in the hotel itself.

Thereupon, the research was conducted in two steps [4, 6]. In the first step, we wished to obtain a rough assessment of the existing situation in the Slovene hotel industry, especially with regard to the size of the companies with hotels, the size structure of these hotels and their categorisation, the ownership structure, the micro-organisational structure of the company, and how the hotel companies and hotels monitor performance at different levels of organisation. To this end, **Questionnaire 1** was drawn up and sent to 168 hotels. The questionnaire was filled in by 103 hotels, of which two had to be eliminated due to the non-fulfilment of conditions for the classification into the category "hotel"¹, and two because they appeared twice among

¹ With the definition of a hotel, we took into account the definition of Mihalič and the Rules on the Criteria and Categorisation of Accommodation Facilities and Boat Harbours. According to Mihalič [5, 182], a hotel is a company whose principle activity is overnight accommodation and serving food and drinks to guests. If a company offers only overnight accommodation or only food and drinks, the company does not represent a hotel. According to the Rules on the Criteria and Categorisation of Accommodation Facilities and Boat Harbours [6], a hotel is an "accommodation facility with:

- at least 10 accommodation units (rooms, apartments),
- at least 30% of rooms with a bathroom,
- single and double rooms,
- reception desk,

the answers. The analysis thus took into account the answers of 99 hotels, which represent almost 60% of all hotels in Slovenia.

Questionnaire 2 was drawn up on the basis of the starting points of the USALI standard and the methodology of the Horwath firm. We took into account the conclusions from the preliminary research (Questionnaire 1) and the set goals of the research. The questionnaire comprised 76 questions, the summary income statement, statement of account of the food and beverage department, and 51 indicators (standardized indicators for hotel industry and financial and accounting performance indicators). With many components taken according to the USALI standard and the researches conducted by the Horwath agency, the Questionnaire included also additional questions referring to the labour costs and employees' training, questions referring to the drawing up of accounting reports and the development of the management accounting systems, and questions referring to the introduction of the responsibility accounting and business decision-making. Since Questionnaire 2 was considerably more demanding than Questionnaire 1, the researchers had to carefully consider how to proceed with the collection of data which would reflect the real situation. This was also the reason to abandon the first intention which was to test the possibility of the direct use of the USALI standard on a random sample. Due to its comprehensive and demanding nature, Questionnaire 2 was filled in only by 6 hotels, which we believed would provide us with relatively authentic data.

2.2. The existing situation of the hotel industry in Slovenia

The existing situation of the hotel industry in Slovenia was assessed on the basis of the findings obtained from Questionnaire 1. As already mentioned, the research took into account the answers of 54 companies, which own 99 hotels, which represent almost 60% of all hotels in Slovenia. Some of the findings are presented at the level of company and some at the level of an individual hotel.

2.2.1. The size of companies and hotels in their ownership

When establishing the **size structure of companies**, which own at least one hotel, we took into account the criteria laid down in the Companies Act. We have found out the majority of such hotels are medium-sized companies (44.4%), followed by small companies (31.5%), whereas large companies represent the smallest share (24.1%).

More than in this information, we were interested in the **size structure of hotels** owned by these companies. In order to allow the comparison between Slovenia

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- breakfast room,
 - common living room for guests,
 - parking space for guests,
 - optionally also hotel apartments and rooms for preparation and serving of food and drinks.

A hotel which offers only overnight accommodation with breakfast is characterised as a hotel with breakfast (garni)."

and other countries in the world, taking into account this criterion, a small hotel was defined as a hotel with less than 100 rooms, and a large hotel was defined as a hotel with more than 300 rooms. This size classification is used also by the Horwath consulting agency.

Table 1. Number of hotel rooms in the surveyed hotels according to the types of places in Slovenia

Settlement Type	Less than 100 rooms	101-300 rooms	More than 300 rooms	Total
Health resorts	8	14	1	23
Littoral towns	11	9	0	20
Mountain locations	16	6	0	22
Other tourist places	25	2	0	27
Other places	1	0	0	1
Ljubljana	1	5	0	6
Total	62	36	1	99

Source: Kavčič Slavka et al., 2001. p. 60; [4, 60]

As is evident from Table 1, the majority of the hotels in Slovenia are small hotels, followed by the medium-sized hotels, whereas a large hotel is only one. The size of the hotels is presented also according to the individual types of places as defined by the SORS- Tourism Statistics.

2.2.2. Ownership structure of a company

Considering the fact that a well-defined ownership is one of the key factors of business performance, the research focused also on the analysis of the ownership structure. A well-defined ownership can have an important impact on the performance of the Slovene hotel industry.

The answers provided by the surveyed companies show that 88.9 % of the surveyed companies have been completely privatised, whereas the others have not yet been privatised. This is rather encouraging since it is common knowledge that the state is not the best owner.

On 31 December 1999, the ownership structure in 54 surveyed companies was as follows: on average, the largest equity share belonged to Slovene legal persons (28.9%), which was followed by the share of funds (25.8%), the share of internal owners (19.3%), the share of Slovene natural persons (15%), the share of the state (9.8%), whereas the shares of foreign persons and other were negligible (both 0.6%).

2.2.3. The division of a company

Monitoring the business performance of companies is to a great extent related to the organisational structure of a company since the required accounting reports are obligatory for all organisational units defined the legal acts of a company. Also, the used accounting solutions sometimes require accounting information on organisational units or responsibility centres even when they are not legally defined in the company itself [7, 532].

A characteristic of modern business environment is that its only constant is its changeability, therefore the companies must responded quickly to the changes and be flexible in the restructuring of a business process. A significant factor related to the business performance is cost management and supervision, which can be efficiently carried out especially in large companies only if the responsibility for everyday business decisions and everyday supervision is transferred from the management to the lower levels. This, of course, does not relieve the management from the responsibility. The process is known as decentralisation, while the organisational units formed to this purpose are known as responsibility centres. Regardless of the scope of responsibility transferred to an individual centre, the responsibility centre is a part of the company which:

- has one responsible manager,
- carries out one or more concrete tasks with numerically defined goals,
- has the necessary means, in the framework of which it is relatively independent [8, 172].

On the basis of the answers provided by the surveyed companies, it can be concluded that 31.5% of companies have organisational units formed as responsibility centres, 35.2 as economic units, and 7.4% of companies have both economic units and responsibility centres. The analysis of the answers shows that 24.1% of the companies are not divided either into responsibility centres or into economic units, whereby it has to be taken into account that a small company can be one single responsibility centre.

Table 2. Division of a company into responsibility centres and economic units

Division of a company	Number of companies	Percentage
Into responsibility centres	17	31.5
Into economic units	19	35.2
Into responsibility units and economic units	4	7.4
Company is not divided	13	24.1
No answer	1	1.8
Total	54	100.0

Source: Kavčič Slavka et al., 2001. p. 55; [4, 55]

Regarding the answers on the division of a company into responsibility centres and economic units, we observe considerable inconsistency in the answers provided by the surveyed companies. The companies were also asked to answer the question regarding a more detailed definition of the responsibility centres and economic units in companies. The answers obtained reveal a considerable lack of understanding of accounting concepts and ignorance of the SAS requirements.

2.2.4. Monitoring of company's business performance

The aim of Questionnaire 1 was to find out the method used by the companies to determine the performance of a hotel as economic unit. For an individual hotel as economic unit, 20.4% of the surveyed companies assess "contribution to fixed costs and profit", and 25.9% assess "profit". 5.6% of the companies assess both categories, while 9.3% of the companies use other categories to assess the performance.

An important factor in the monitoring of the business performance of companies is also the way of comparison of the revenues and the expenses of hotels. The majority of the surveyed companies (51.9%) compare all revenues to all expenses, which does not allow a quality comparison of business performance of a hotel. 13% of companies observe the difference between all revenues of a hotel with all those expenses which are undoubtedly related to an individual hotel. Another 13% of companies assess the difference between all revenues and all variable costs and a part of fixed costs. A significant number of companies stated that they used several criteria when assessing the performance of an individual hotel. Thus, 5.6% of the companies stated that they assessed both the difference between all revenues and all expenses as well as the difference between all revenues and all variable costs and a part of fixed costs, whereas 9.3% of the companies calculated the difference between all revenues and all expenses and the difference between all revenues and variable costs.

Only by monitoring the revenues and individual expenses within departments, e.g. in the overnight accommodation department, in the food and beverage department, etc., deficiencies in the operation of individual departments and responsibility of managers can be revealed [9, 44]. The companies provided different answers as to the assessment of the performance or the method of calculation of accounting categories within an individual department of a hotel. At the level of an individual department, 17 companies or 31.5% of the surveyed companies assess the difference between all revenues and all expenses, 12 companies or 22.6% of the surveyed companies monitor the revenues of the department in comparison to the variable costs and a part of fixed costs, and 6 companies or 11.1% of the surveyed companies observe the difference between the business revenues and business expenses. Based on this, we can conclude that the companies correctly record the revenues at the departmental level, but they diverge in the recording of costs.

The surveyed companies currently use the following accounting solutions in the monitoring of the business performance of hotels: it is understandable that the most frequently used solutions are those defined in the SAS (81.5%), whereas the SAS and the USALI standard are used only in 4 surveyed companies or 7.4% of all

surveyed companies; 5.6% of the companies use the SAS as well as the IAS; and one company uses the SAS and some of the IAS.

Table 3. Accounting solutions used in monitoring of hotels' business performance

Accounting solutions	Number of companies	Percentage
SAS	44	81.5
Accounting Act	2	3.7
SAS and USALI standard	4	7.4
SAS and IAS	3	5.6
SAS and some IAS	1	1.9
Total	54	100.0

Source: Kavčič Slavka et al., 2001. p. 67; [4, 67]

2.3. Possibilities and limitations regarding the direct use of the USALI standard in Slovenia

Questionnaire 2 was drawn up on the basis of the starting points of the USALI standard and the methodology of the Horwath agency. The questionnaire comprised 7 groups:

- general information on a hotel,
- marketing information,
- information on information technology,
- information on employees,
- information on drawing up of accounting reports,
- accounting reports according to the USALI system for 2000, and
- forecasts.

The chosen 6 hotels included in the survey had, on average, 115 rooms, which is above the Slovene average, in which hotels with less than 100 rooms prevail. The categories of the surveyed hotels were different, but, on average, they had three stars. Among the surveyed hotels, there were two congress hotels, two city hotels, and two health resort hotels.

The direct use of the USALI standard proved to be impossible in many Slovene hotels. The hotels often did not have the data available required by the USALI standard, and some of these data could not even be obtained by subsequent calculation of the existing data. Some of these data are presented in more detail hereinafter.

2.3.1. General information on a hotel

According to the USALI standard, a **hotel is as an independent unit of account** with at least the following independent departments: overnight accommodation department, food and beverage department, telecommunication department, and other subsidiary departments, which proved to be a problem in two out of six surveyed companies.

Within the framework of general information on a hotel, the most often encountered problem represented the calculation of various indicators of **hotel occupancy**. The occupancy in the Slovene hotels is calculated according to beds, whereas the occupancy in the world hotel industry is measured according to a room. These are two completely different approaches. With regard to the first one, we speak of the so-called "Austro-Hungarian" approach, whereas with regard to the second one, we speak of the "American" approach. The European as well as the Slovene statistical data are based on the "Austro-Hungarian" approach, which arises from bureaucratic perfectionism and allows strict control. The "American" approach is somewhat simpler, based on the marketing and cost principles. The basic statistical unit in the American approach is room/nights. To be able to compare the data on the hotel occupancy in Slovenia to the world average, the data need to be recalculated. This increases the possibility of mistakes and decreases the quality of information.

The datum on the **average stay of guests** in a hotel was available only in three hotels, one hotel calculated it subsequently, whereas two hotels did not have adequate information bases to obtain this datum. The span between the longest and the shortest stay was relatively large, i.e. from 1.7 days to 10.3 days.

2.3.2. Marketing information

Due to a special nature of their operations, health resort hotels define **the market structure of guests** somewhat differently from the other hotels. We were surprised by the fact that these data were available only in two hotels, while the market structure had to be partially recalculated in two hotels, and two hotels did not have suitable information bases.

The surveyed hotels mostly kept the **records on regular guests**, but they used different criteria as to the definition of a regular guest. We found out that the difference between the shares of regular guests in those hotels which kept the records was relatively large, since the lowest share was 10% and the highest was 30%.

Five hotels kept the **records on the ratio between Slovene and foreign guests**, whereas in one hotel we had to make a recalculation to obtain this information. It was interesting to find out that Slovene guests prevail in health resort hotels, while foreign guests are more numerous in other hotels.

The datum on the **structure of foreign guests by countries** was provided by four hotels, whereas in the other two hotels an additional recalculation had to be made. The available data showed that the majority of foreign guests came from the neighbouring Austria and Italy, followed by the guests from Germany.

Only four out of six hotels had information basis for **monitoring the sources of bookings**. However, this possibility was actually used only in two hotels. The structure of booking sources shows that guests most often take care of the booking themselves.

The Horwath researches show the average **hotel occupancy by days in a week and months in a year**. We were surprised to find out that only one out of the six surveyed hotels monitored the average occupancy by days in a week, while this data could be subsequently calculated in two hotels. On average, the most occupied day in the surveyed hotels is Friday in contrast to the data provided by the Horwath research [1, 3], where the most occupied day in a week is Wednesday. However, regarding the hotel occupancy by months in a year, we found out that the most occupied month in a year was August both in Slovenia and Europe.

In order to assess the price affordability in the surveyed hotels in comparison to the European offer, the hotels were asked about the price of a double-bedded room. In comparison to the European hotels, the surveyed hotels fall into the **price category** "Midprice/ Economy" - 3 stars (under \$ 75) and First Class - 4 stars (\$ 75 - \$ 110) [1, 10].

The information on marketing performance of a hotel can be obtained also from the datum on the **room occupancy**. The datum on the average room occupancy was available only in one hotel, whereas in the other hotels it had to be calculated subsequently. We found out that the difference in the room occupancy in the hotels was large, i.e. from 19% to 85.6%. According to the Horwath researches, the average room occupancy in hotels in 1998 was 64.5% [1, 3] and in 1999 66% [10, 3]. According to the data of the SORS, the Slovene average equals 40.63% [11], however, this occupancy has been calculated with regard to the bed occupancy, therefore, this comparison does not have any sense.

2.3.3. Information technology

The surveyed hotels use **information technology**, which is mostly adapted to the needs of the surveyed hotels. The majority of the hotels use the Internet Access System. The majority of the surveyed have their own web site, which, however, is more often used for marketing than for booking purposes.

2.3.4. Employees

Within the framework of information on employees, we wished to obtain the information on the **educational structure of employees** and their training. The majority of the employees have the IVth level of education. These are followed by the employees with the Vth level of education. The datum on the **average amount of funds intended for the training of employees** in 1999 was available in two surveyed hotels, whereas in two hotels we were able to calculate it. We found out that the amount was rather low, which is evident also from the datum on **the average time of**

training per employee, which we were able to obtain only in two hotels and which equalled, on average, 8 hours a year per employee.

2.3.5. Accounting reports

Three of the surveyed hotels prepare accounting reports in their own accounting department, whereas the other three hotels prepare them in their parent company. **Analytical chart of accounts** in the surveyed hotels mostly includes 4 items. Only in two hotels it is even more detailed and includes 5 items. In four hotels, the criterion for determining the analytical chart of accounts in the financial accounting was monitoring of costs according to the cost centres, and in the two other hotels, according to the original costs. Although all the hotels answered that they could assess the costs by the departments in the cost accounting, the concrete calculation according to the USALI standard showed that this was possible only with two out of six hotels. The surveyed hotels classify the overhead costs into business results according to the cost calculation with simple overhead charges.

As much as half of the surveyed hotels stated that with the monitoring of the departmental costs and revenues they partially took into account the USALI standard, which, however, was not confirmed by the concrete calculations in reports according to the USALI standard. The income statement as defined by the Slovene Accounting Standards is in the majority of hotels drawn up monthly, which means that along with a suitable database also the data according to the USALI standard could be presented monthly.

Although as much as four hotels stated that they used some prescribed reports of the USALI standard, this did not prove to be true when a concrete examination was carried out. Among the largest obstacles to the introduction of the USALI standard in the Slovene hotel industry, the surveyed hotels named different allocation of costs according to the Slovene accounting solutions and according to the USALI standard, ignorance by the accounting employees of the advantages of the USALI standard, and weak development of the information function in hotels.

2.3.6. Accounting reports according to the USALI standard

On the basis of gathered data we tried to prepare a consolidated statement of earnings and reports for the accommodation department and for the food and beverage department. According to our establishments the major discrepancies occur between the monitoring carried out so far and the requirements set by the USALI standard for costs. The USALI standard [12, 33] serves to determine **the departmental operating results or Contribution I (Departmental Income – Loss)**. The latter is calculated by deducting from the departmental income (only those departments which generate income) the direct variable costs of the department (separately by types of costs: costs of sales and material, costs of labour and other direct costs). None of the hotels included in the research has the records adapted in such a way as to enable the accessibility of data for determining departmental operating results or Contribution I

according to the requirements of the USALI standard. In five of the hotels those data could be obtained on the basis of calculations while in one hotel this was not possible even on the basis of additional calculations. However, it should be pointed out that those are only approximate calculations related to the evaluations, therefore a direct comparison with the data from the Horwath research would not be reasonable. The hotels concerned do not monitor the data on labour costs and other costs by departments and some of the hotels do not even have appropriate bases in order to rearrange the costs from the company level to the level of individual departments.

The treatment of **general operating costs** presents a problem since the Slovenian accounting solutions do not define general operating costs as does the USALI standard which monitors those costs on the company level and divides them into costs of labour and other costs. In five of the surveyed hotels the data on the volume of operating costs could not be obtained nor could those costs be further divided into the costs of labour and other costs, so we carried out an evaluation of those costs. In one of the hotels the possibilities were somewhat better so we carried out additional calculations.

The USALI standard [12, 33] also defines the **Contribution II (profit before fixed costs)** or **GOP (Gross Operating Profit)**. GOP is the sum of contributions from all departments reduced by general operating costs related to the hotel as a whole without some costs of assets and interests. In three of the hotels GOP was obtained by additional calculations while in the remaining three hotels the data available did not enable even this method. The USALI standard treats the general fixed costs related to assets and interests separately from the other costs which, again, does not correspond to the treatment of costs according to the SAS. Those data are also obtained mainly by calculation and evaluation so they can not serve as the basis for strategic decision making.

2.3.7. Presentation of indicators

In Questionnaire 2, the following groups of indicators were calculated in the surveyed hotels [12, 161-171]:

- standard indicators of the food and beverage department (turnover per seat, capacity utilization in %, average food check, share of food costs in income, share of beverage costs in income, share of labour costs in income, turnover per overnight accommodation, ratio between food and beverage, turnover per day, labour productivity, cost-effectiveness, profitability of turnover from food and beverage, products turnover ratio, quality of services): only some of the indicators were available in the surveyed hotels while for most hotels those indicators had to be calculated on the basis of existing records, although the calculation could not be made in all the hotels;
- standard indicators of liquidity and solvency (short-term ratio, quick ratio, share of outstanding receivables, receivables turnover ratio, average collection period, quick ratio, acid test ratio; long-term solvency

ratio, debt/equity ratio, number of times interest earned ratio, fixed charge coverage ratio, share of debts in financing): partly they were available in half of surveyed hotels and partly they were calculated. All the hotels which do not draw up their own balance sheets and income statements provided the data for the level of the company as a whole which, however, does not reflect the situation in individual hotels;

- assets turnover indicators (food inventory turnover indicator, fixed assets turnover ratio, net working-capital turnover ratio, capital turnover ratio, number of days of inventory on hand, receivables turnover ratio): are also calculated on the company level and not on the hotel level. For two questions there were no sufficient information bases in order to calculate them;
- profitability indicators (profit margin ratio, return on owners' equity (ROE), return on assets ratio (ROA)): in most of the surveyed hotels they could be calculated, however, as stated above, only on the company level;
- indicators of the hotel performance (average room rate, average food check, cost percentage of revenues department, share of labour costs in income): they were not available in any hotel, could be calculated in five hotels, however in one hotel the data were insufficient for an additional calculation;
- indicators of hotel occupancy (paid occupancy, free occupancy, average occupancy per room, multiple occupancy percent): those indicators were also not available, however they could in most cases be calculated.

It can be concluded from the above that the hotels do not monitor the operating performance according to the above stated indicators. There were least problems with the calculation of asset turnover and profitability indicators, however, they were provided on the company level and are therefore not comparable with the results of the Horwath researches. There were only a few exceptional cases of hotels which monitor operating performance according to the above stated special indicators for the hotel industry while in the majority of cases they had to be calculated.

3. REQUIRED ACTIVITIES FOR THE INTRODUCTION OF THE USALI STANDARD IN SLOVENIA

A direct use of the USALI standard in Slovenian hotels has proven to be impracticable in numerous cases. Hotels often do not have the data required by the USALI standard while some of the data are not accessible even by additional calculation of the existing data.

The results of the research carried out show that the major obstacle in comparing business results of domestic hotel-keepers with the results of the world hotel industry is the difference in definitions of accounting and other categories. If

they want to integrate in the international comparison, Slovenian hotels primarily have to establish, regardless of their size and quality (number of stars), appropriate (decentralized) organizational structure and to unify the monitoring of economic categories which are critical for recording performance according to the USALI standard, on the company and hotel levels as well as on the individual lower levels.

In order to avoid additional calculations which might be subjective, it is necessary, in our opinion, to determine the obligatory splitting of the chart of accounts (both the depth and the width) which would provide the data directly from the accounting.

In Slovenia, a special standard for the hotel industry should be prepared which would require the implementation of the USALI standard and meet the domestic needs at the same time.

4. CONCLUSION

The emergence of international hotel chains worldwide has introduced quality and other standards as well as the uniform system of reporting on the operating performance in the hotel industry known as the USALI standard, which set the basis for the international comparison of hotels. Since Slovenia has the tourism potential which enables it to gain large income and recognition in the world, there is the tendency to assume a uniform system of assessing performance with the USALI standard. At the moment, there is no basis for the use of the USALI standard in Slovenian hotels since in most cases their organizational structures and data bases are not appropriate. Even those hotel companies which stated in their answer that they already use the USALI standard for monitoring operating performance have no appropriate data bases so their data and information are only similar to those required by the USALI standard for evaluating performance.

For Slovenia, the incorporation in the international annual research of business results and the introduction of the USALI standard are important not only for Slovenia to be present in those researches but especially for the possibility of comparison within the hotel companies and between the hotels in Slovenia. The introduction of the USALI standard would provide the data and information on the basis of which individual hotels would recognize their advantages, disadvantages, opportunities and dangers which presents the foundation for achieving greater competitiveness of Slovenian hotel companies.

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Sažetak

MOGUĆNOSTI I OGRANIČENJA UVOĐENJA USALI STANDARDA U HOTELSKA PODUZEĆA SLOVENIJE

Slovenija trenutno nema temelje za uvođenje uniformiranog sistema za računovodstveno praćenje poslovnih rezultata u hotelskoj industriji, poznatog pod nazivom USALI standard ("Uniform System of Accounts for The Lodging Industry"), koji dopušta usporedbu hotela sa sličnim hotelima u užem i širem smislu. Ovo istraživanje proveo je Ekonomski fakultet, Sveučilišta Ljubljana na zahtjev Ministarstva za turizam Slovenije. Cilj je istraživanja ispitati mogućnosti uvođenja i primjene standarda USALI i utvrditi promjene u području računovodstvenih i drugih izvješća u hotelskoj industriji Slovenije, kako bi se rezultati slovenskih hotelskih poduzeća mogli usporediti s prosječnim rezultatima svjetske hotelske industrije, Europe i pojedinih zemalja.

Ključne riječi: hotelijerstvo, računovodstvo, USALI.