

Assistant Professor VIDOJE VUJIĆ, Ph.D.
Faculty of Hotel Management Opatija, University of Rijeka, Croatia
Hotelijski fakultet Opatija, Sveučilište u Rijeci, Hrvatska

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Review

INTERNATIONAL STANDARDS OF MEASURING AND EVALUATING QUALITY IN TOURISM AND HOTEL MANAGEMENT

The global economy market that is developing more and more rapidly demands from all of its subjects a particular quality and application of standards adopted by international associations for the standardization of products and services. This work scrutinizes the standards of the system of quality and business excellence. It analyzes the connections between business efficiency and evaluation of business excellence, and accentuates the processes of verification and the criteria of national awards for quality.

Key words: quality evaluation, resources, processes, policy and strategy.

1. DEVELOPMENT OF INTERNATIONAL STANDARDS OF QUALITY

The standard or norm is understood as a measure for a determined quantitative or qualitative variable. If the standard is traditionally, socially or legally accepted within the framework of a specific community it becomes a regulation that assumes an internal, feasible, regional, national or international significance and status. For the moment there are 14 types of norms: basic, for services, for delivery, planned, user, safety, production, for measuring, for materials, of procedure, for symbols, testing, determinative and declarative. Each one has a strictly defined purpose and intended use.

Basic norms describe scopes and models of application.

Norms for services ascertain and describe what the service must be.

Norms for delivery regulate the methods and conditions for delivery of raw materials, products and services.

Planned norms contain all the elements and processes for the development of a plan.

User norms describe the manner and methods of using a specific product or service.

Safety norms prescribe the procedures that the user obligatorily has to adhere to.

Production norms ascertain the manner of production.

Norms for measuring strictly prescribe the measuring units and method of measuring.

Norms of procedure prescribe the succession of procedures that must be adhered to during the realization and performance of a specific activity.

Norms for symbols interpret certain marks (signs) on products.

Testing norms ascertain and describe the procedures and methods of examining and testing.

Determinative norms explain the terms that are used in a specific scope of work.

Declarative norms define the volume of information that the declaration on a specific product must contain.

The formation of international standards and of an acknowledged system of quality security and management are found in the series of norms ISO 8402, ISO 9000 FF, ISO 10000 FF, ISO 14000 FF, EN 45000 FF and other norms, the number of which increases day by day. The procedure by which ISO (International Organization for Standardization) develops and introduces norms is based on a consensus between member countries. At the end of 1997 the International Organization for Standardization had 120 regular and 72 associate member countries. The draft of a norm prior to its publication must be adopted by 75% of the members. The series of international quality standards was published for the first time in 1987, and by 1994 the issuance of an altered and supplemented series of ISO 9000 came out and is in force to this very day.

The ISO 9000 FF standards ascertain the models of the system for quality procurement (ISO 9001, 9002 and 9003), thereupon the instructions for supplementation of the models (ISO 9000-1 and ISO 9000-2, ISO 9000-3 and ISO 9000-4) and instructions for explication of the models for quality procurement.

- ISO 9004-1 – General instructions explaining quality management and the elements for achieving quality security
- ISO 9004-2 – Instructions for systems that render services
- ISO 9004-3 – Instructions for mass production
- ISO 9004-4 – Instructions for quality improvement
- ISO 9004-8 – Basic principles of quality and instructions for their use.

The ISO 10000 FF series consist of instructions for explaining models for procurement of quality (ISO 10005-10007); instructions for conducting audits (ISO 10011-1 to 10011-3 ISO 10012-1 and 10012-2) and supplementary instructions (ISO 10013-10017).

The ISO 14000 FF series of standards falls into the category of the highest civilizable contributions that determine the areas of managing the human environment.

The following norms emerged from this series (up to 1997):

- ISO 14001 – specification and instructions for protection and management of the environment
- ISO 14004 – General instructions for business systems and auxiliary techniques
- ISO 14010 – Instructions for auditing the environment
- ISO 14011 – Instructions for auditing the system
- ISO 14012 – Criteria for auditing
- ISO 14021 – Marks of environmental quality
- ISO 14040 – Life cycle of the product
- ISO 14050 – Glossary for management of the environment.

The EN 45000 series contain the criteria that refers to test laboratories (EN 45001 – EN 45003), certifications (EN 45004, 45005, 45010-45013) and supplementary criteria (EN 45014 and 45020). Besides those indicated there are also series of other obligatory norms, from those that refer to the quality of specific products to ones that refer to various scientific and technical disciplines.

One of the most significant changes that have occurred in international business is the deliberate approach to quality. The growing awareness of the firm bond between quality and efficiency in dealings can be recognized from the gains achieved by firms that have implemented the systems of quality. A poll taken in Great Britain on a sample of 1000 firms showed that after obtaining certificates the firms were better managed, found it easier to establish relations with buyers, became more efficient in solving problems, improved the quality of products and services, enhanced the awareness and motivation of employees, and acquired a better image on the market. The concept of a system of quality based on ISO standards is becoming the major factor of sales of a product and services worldwide. It is increasingly transforming the world business community into a global economy. In this sense, every company will in the future be obliged to establish its business strategy on the system of quality. This will be valid for all countries and all business companies regardless of whom they do business with and to whom they render their services.

2. QUALITY IN TOURISM AND HOTEL MANAGEMENT

A crucial point was overcome at the end of 1993 in the quality system of the economy of the Republic of Croatia. Namely, that year the first firm in our country was certificated as ISO 9001. More and more business companies (in May 1998, close to 100) have implemented or are preparing for certification of the systems of quality. Certain business companies have already been re-certificated. They go to prove that the system of quality can be implemented and enhanced in our environment.

Unfortunately, in the business of tourism and hotel management there still are no companies that have implemented the system of quality. The pretext that incomplete transition is the reason for the failure to introduce ISO standards in hotel management is correct only to a certain extent. The real reasons for such a relationship should mainly be sought in the managements of the hotel enterprises. Most of the managers still cannot grasp what activities to undertake in order to reach and enhance a level of quality of services. In spite of all that they also fail to comprehend the role of the individual in the implementation of the system of quality. They do not understand that certain activities cannot be entrusted to someone else, but rather that the management itself has to carry them out. These activities are as follow:

- Formation of a work team on quality,
- Defining the policies and aims of quality,
- Training/teaching quality competence for all managers and employees,
- The follow-up of achieved results,
- Set up a system of quality enhancement and motivation of employees.

At the moment the situation in the hotel management and tourist business may be characterized as a "crisis of possibilities". The concept of a "crisis of possibilities" pertains to using opportunities without waiting for a crisis to occur. The establishment of a system of quality is one of the most significant opportunities and assignments. It is a priority task of our economy, especially in the domain of hotel management. In that way we will dismiss the errors that had in the past been the big obstacle of our all-round development, and particularly of the selective tourist offer.

According to standard HRN EN ISO 8402, "Quality is the totality of characteristics of a given entity that enables it to satisfy the expressed or assumed needs." Empirical practice demonstrates that quality usually differs, and is oftentimes completely differently interpreted by the participants in the process of social exchange. Due to this contradiction the quoted definition can only be taken as a basis for consideration of the general theory of quality. The participants in the process of the inception of exchange and utilization of a specific commodity (consumer, producer, market and society) have different conceptions.

Quality from the viewpoint of the consumer (buyer and user) designates the level of the user value of a product (or service) up to which it satisfies a precisely specified need. From the viewpoint of the producer, quality is a measure that shows how much a specific product or service is conceptively successful, the quality of its structure and the quality of its manufacture. From the viewpoint of the market, quality is a degree up to which a specific commodity (or type of service) satisfies a specific buyer in relation to the same commodity of the competition. Quality from the viewpoint of society (state, county) is a level that specific products and services have reached in the course of buying and selling and have been established as profit-making commodities. Quality in tourism and hotel management could be defined as compatibility of services with the expectations of the guests. It contains a series of components, and is always measured by the satisfaction or dissatisfaction of the end users.

A hotel with a lot of stars indicates its being well furnished and a high cost of services but regretfully, it is not an indication of quality. When a guest comes to a hotel of highest category, then his expectations are different from those of a hotel of lower category. However, all categories are entitled to request introduction of ISO standards. In Austria, Switzerland, Germany, it is not unusual that a restaurant with five employees has an ISO Certificate. Such a restaurant emphasizes the fact in its advertisements and the guests believe that the offer is in accord with the standard and there are no deviations. Guests believe in the standard and in the advertisement, because the standard has been tested by an independent organization. Within the system of ISO 9000 each hotel can commit itself to a corresponding model, depending on which one they consider most suitable. Most hotels apply model 9002 because of not having their own development. The basic aim of implementing the system of quality in the business of hotel management and tourism is to achieve the highest level of contentment of guests and business excellence. Those with ISO 9000 certificates, unfortunately there are none yet in Croatia, work under the motto: "We think with our guest, we enjoy with our guest, we help our guest, our guest helps us." If we achieve

such a relationship of trust in the hotel, the restaurant or the business company, then we can be sure that we are not far from the demands of international standards.

2.1. Service as a Specific Product of Hotel Management and Tourism

The value of any product is not seen until it is put to use, until it begins to serve people's needs and that way it becomes a service. There are opinions that "products are only means for rendering services", since numerous services are used in the creating of a product. In spite of this, services as the specific product in hotel management and tourism have certain special characteristics. The basic characteristics of a service according to E. Leonardi are the following:

1. A service is something intangible. The user of a service does not receive anything that is material, however the benefits that he gets through the concrete service contribute to the increase of its value.
2. "Production" and "consumption" of a service unfold at the same time: it is not possible to create a stock of services.
3. A service cannot be seen prior to "delivery": the user has to have trust in the giver of a service.
4. The "front line" employees play a key role in the process of rendering services.
5. The beneficiary is also a participant in rendering a service.
6. Service quality is a subjective category.
7. Since a service is the result of interaction between the person selling a service and the user, each flaw is easily noticeable and is always understood and considered as very serious.

The service that satisfies the buyer's needs is often a composition of services, material products and experiences that are offered to the user in the form of a package. It is completely clear that the buyer must be satisfied with the principal service, i.e. with the food in a restaurant, but also with everything else that makes up a "package" (behavior of the personnel, politeness, focus on the buyer, tidiness of the premises, parking facilities, etc.). The user of the service sees and comes into contact with all the phases of output of a service, since the best service (food) can be spoiled by some detail (waiting for the waiter, a lack of parking space, impoliteness, etc.). A satisfied buyer can be "created" only by satisfied participants in the process of rendering services.

Most services are produced directly and their quality can be evaluated only after their execution. Many services are for the main part immaterial (consulting services, theatrical performances, restaurant and hairdresser services) and are altogether depend on subjective appraisals of the user-buyer, and always subsequently.

The service cannot be manufactured, held in reserve and controlled prior to its delivery. In this connection, when setting up the aims and policies of quality it is necessary to bear in mind the demands of the guests and the particularities of rendering services. Rendering services to a great extent means to communicate with other people. This point is emphasized in norm ISO 9004-2 (5.1.) that stresses that the contentment of a buyer can only be secured when there is harmony in the interaction between the responsibility of the management, employees, material resources and

structure of the system of quality. The emphasis is placed on the staff and underscores that the behavior and performance of the individual has direct impact on the quality of service and profit of the firm.

3. EVALUATION OF BUSINESS EXCELLENCE

The evaluation of business excellence or organizational perfection is based on systemic and regular reconsideration of the business activities and results. For the needs of evaluating business excellence the employees of a business company have to be animated and motivated. This kind of approach in a business system enables identification of advantages, and acquiring of new knowledge and possibilities for the enhancement of the prevailing situation. Every business company that wants to introduce business improvements and earn profits must know the answer to six basic questions: What are we doing for our shareholders and investors? What are we doing for our buyers, our source of income? How are we using our resources? Where are we now? Where are we going? What road of development should we take? Answers to these questions can only be given under the assumption that the business company is adequately managed, thereby defining the strategies and business policies on basis of which business aims are established and give answers to the mentioned questions. The satisfaction of the buyer and employees and the contribution of the society are accomplished through teamwork and adequate management of the human potentials, resources and processes. These are at the same time the key factors for the realization of business excellence. The contentment of the buyer has an impact on the price and volume of business activities. Managing the processes and resources effects costs and enhances quality. Managing the personnel and their satisfaction effects the efficient utilization of professional knowledge and competence.

The system of self-evaluation is used to reconsider the conceptions, aims, and missions. Through self-evaluation the employees engage in the tasks of regular and systematic reconsideration of personal processes and results. At the time of evaluation it is established whether the business setup conforms to the standards and efficiency in practice. For the evaluation of business excellence of business companies in the world criteria have been established in which any judicious query has the same weight value, hence the fulfillment of the requirements of any criterion grants a certain number of points. Mostly applied are the elements of various quality awards, in particular the criteria of the Japanese "Deming Prize", the American "National Quality Award" and Europe's "European Quality Award".

3.1. The Deming Prize

American scientists Edward Deming and Joseph M. Juran had a powerful impact on the development of a system of quality in Japan. Deming came to Japan in 1940. His theoretical discoveries assert that errors in the working process cannot be tolerated and that a permanent enhancement of all corporate segments is indispensable. Deming's business philosophy rests on 14 basic principles:

1. Permanent creating of aims for advancement of products and services in order to be competitive.

2. Gathering and analyzing of information on quality for quality.
3. Dropping inspection as the sole instrument for enhancement of quality.
4. Development of long-term cooperation and trust with business partners.
5. Life-long learning and innovating the knowledge of employees.
6. Implementation of methods that will increase the quality and productivity, and lower the costs.
7. Qualifying the management to motivate and not only to supervise employees.
8. Remove the barrier between various business functions so as to instigate teamwork.
9. Create a milieu for innovation and enhancement of quality.
10. Eliminate standards as a method of motivation and management of human potentials.
11. Expel obstacles that prevent feelings of pride for a well-done job.
12. Introduction of various unconventional forms of study and training for qualifying the personnel to perform various assignments.
13. Development of a businesslike culture of work and relations.
14. Conduct the plan to change the existing situation and advance business.

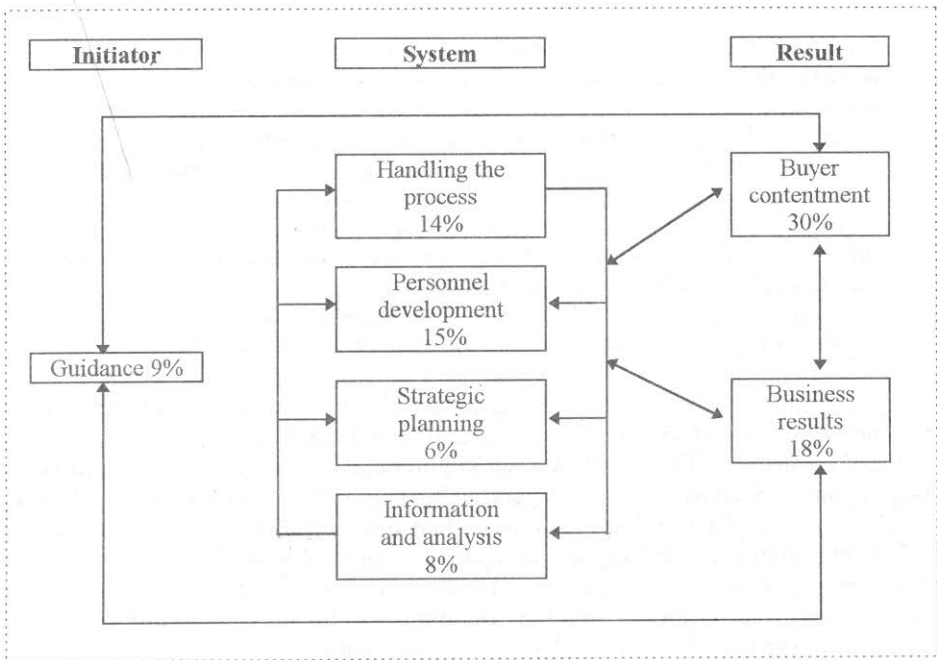
In Japan the mentioned principles have for more than 50 years represented the tenets for enhancement of the levels of quality and efficient business dealings of all business companies. The result of such cognition is the initiative of the Japanese Association of Scientists and Managers (JUSE) in 1951 to introduce the "Deming Prize" as a sign of recognition for quality management. The prize was granted the highest importance and priority in the Japanese society. Within the framework of this prize, today there are three categories: The "Deming Prize for Individuals", "Prize for Quality Control in Factories", and the "Deming Prize for the System of Quality", for which, as of 1984, candidates could also be foreign firms.

3.2. American National Quality Award

In the beginning of the Eighties, Japan and other countries of the Far East had efficiently positioned themselves in the global business competition. During that period the markets of the western countries were flooded with automobiles and electromechanical commodities of high quality and lower prices. Only then did the cognition of the global phenomenon of quality and the TQM idea begin to spread in Europe and America. Not until 1987, in order to incite and motivate the company managements to accept and apply TQM, the American government introduces a national quality award known as: MALCOLM-BALDRIGE (National Quality Award) that also got the support of the highest government authorities. The award is particularly presented to manufacturing, service-rendering and small enterprises.

The introduction and presentation of awards in accordance with this model gave a significant contribution to advancement of self-evaluation and enhancement of business excellence. For this purpose regulations were developed in which any judicious query had the same weight value, whereas the fulfillment of the demands of each element of the system of quality management brings a certain number of points on basis of which the business excellence and granting of awards are based.

Scheme 1. Model of the Malcolm-Baldrige Award

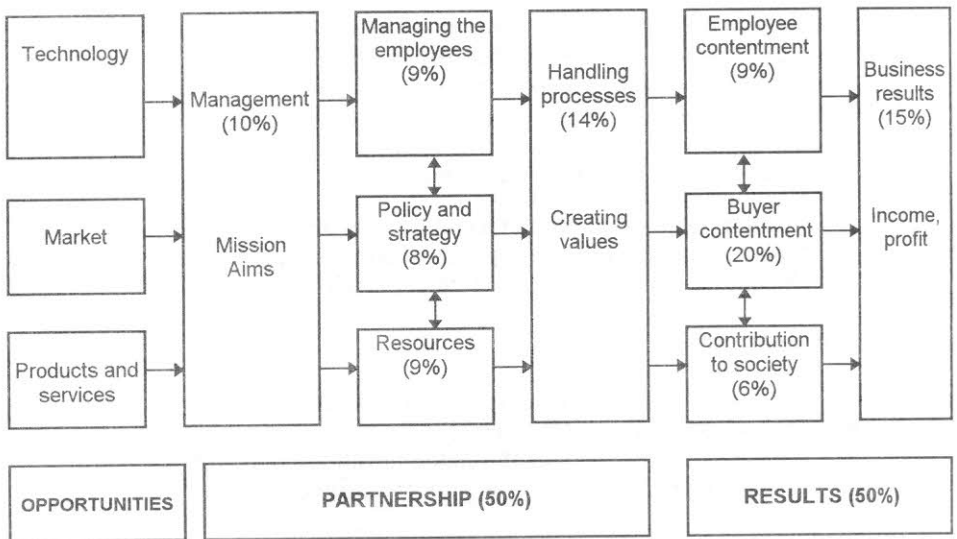


3.3. The European Quality Award

During 1989 and with the support of the European Community and European Organization for Quality (EOQ), the European model of the award for quality, called the Business Excellence Model, was developed. The first such award was presented to the Rank Xerox firm in 1992.

This award is based on the contentment of buyers, the contentment of employees and the beneficial impact on the society. This is achieved by realization of policy and strategy, in other words by careful management of personnel, resources and processes, which in the end leads to business excellence. General directors, management presidents, executive directors and other managers accentuate that the model of business excellence considerably helped and contributed to the realization of good business results. Most countries have founded their own national quality awards by taking over the criteria of the European model that contains nine aspects of business excellence, which are shown under Scheme 2.

Scheme 2. The European Model of Business Excellence



This model has five aspects of support and four presentations of results. Altogether they:

- secure help in identification of the existing conditions
- enable comparisons with the achievements of other business companies
- encourage entrepreneurs to follow-up their own development.

The following nine aspects of business excellence are based on HIGHER criteria of evaluation of business excellence. The criteria that defines competence and achievement of business companies follows:

3.3.1. Management of the Business Company

- a) Perceptible quality commitment by the management
- b) Securing of conditions and resources
- c) Social engagement
- d) Acknowledgement and recognition of employee efforts.

3.3.2. Managing the Employees

- a) Planning and advancement of personnel
- b) Development and maintenance of competence
- c) Come to terms on aims and an ongoing survey of achievement
- d) Support and recognition of accomplishments
- e) Employees and the organization maintain effective dialogues
- f) Care for personnel (employees).

3.3.3. Policy and Strategy

- a) Policy and strategy are based on relevant and comprehensive information
- b) Extent of development of policy and strategy
- c) How are the policy and strategy applied
- d) Policy and strategy regularly up-dated and enhanced

3.3.4. Resources

- a) Management of financial resources
- b) Handling of information resources
- c) Relations with suppliers and handling of materials
- d) Management of buildings, equipment and other property
- e) Handling technology and intellectual proprietorship

3.3.5. Handling Processes

- a) Identifying major processes for business success
- b) Teamwork handling of processes
- c) Advancement of processes through innovations and creativity
- d) Change of processes and estimation of usefulness

3.3.6. Employee Contentment

- a) The organization in the eyes of its employees
- b) Supplementary measures related to employee contentment

3.3.7. Buyer Contentment

- a) The buyer's perception of the product, service and relations with the organization
- b) Supplementary measures related to buyer contentment

3.3.8. Impact on Society

- a) How the community sees the organization
- b) Supplementary measures of organization's impact on the community

3.3.9. Business Results

- a) Financial indicators of the achievements of the trading company
- b) Supplementary indicators of the efficiency of the trading company.

Each criterion contributes on even terms in the making of the result of business excellence. Since every question is of equal importance, then the criteria with the lowest results are seen as opportunities for improvement, because the chain of quality and business excellence is as strong as is the strength of its weakest link.

CONCLUSION

Besides a series of wars and structural changes, the twentieth century will be remembered as a century of productivity, whereas today we may already with great certainty prognosticate that the 21st century is to be characterized by personal effort, teamwork, servicing, production and business qualities and merits of excellence. The time for implementation of international standards of measuring and evaluating quality in tourism and hotel management has started long ago. We should be on the alert that it does not expire.

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Sažetak

MEĐUNARODNI STANDARDI MJERENJA I OCJENJIVANJA KVALITETE U TURIZMU I HOTELIJERSTVU

Globalno gospodarsko tržište koje se sve brže razvija, traži od svih subjekata određenu kvalitetu i primjenu normi, usvojenih od međunarodnih tijela za standardizaciju proizvoda i usluga. U radu se izučavaju standardi sustava kvalitete i poslovne izvrsnosti. Analiziraju se veze između poslovne učinkovitosti i ocjenjivanja poslovne izvrsnosti, te naglašavaju procesi provjere i kriteriji nacionalnih nagrada za kvalitetu.

Ključne riječi: ocjenjivanje kvalitete, standardi, kriteriji i modeli poslovne izvrsnosti.