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Application of Total Management of Quality in the Macedonian Hotel Industry

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Abstract

In this paper, we have presented the results from the research in relation to the approach toward the total management of quality in the Macedonian hotel industry. It was analyzed through the four pillars of the house of quality, which are the following: internal standardization, quality control, optimization of the quality costs and education and training of the employees. Our research has determined the "age" or i.e. the level of development of the hotel capacities in accordance to the pillars that we have previously mentioned (from a young and undeveloped system to a mature and developed system). The results from the research have entailed the directions for the process of quality system development in the hotel industry through the application of the TQM (Total Quality Management) strategy, the development of the personnel, and an introduction of a study in the development of quality services as well as the development of the processes.

Keywords: *internal standardization; quality control; quality costs; education and motivation of the employees; TQM (Total Quality Management) system; quality of the hotel services.*

1. Introduction

In times of enormous competition and the presence of numerous entities on the market, we should emphasize the importance of quality and the overall work of the hotel industry. The expansion of tourism internationally is a result of the development of the various types of work that participate in the process of creating the final product, and one of the most important role is held by the hotel industry. The hotel's service product is defined as a chain of mutually connected services that result from the process of satisfying the needs and the requests of the consumers that are of prime importance and are connected to their temporary stay outside their living area. The chain of services are ongoing in a space that is defined technically, technologically, organizationally and by the processes and the personnel as well. The services are available in a certain time and their quality is influenced by numerous subjects – a large group of different suppliers, employees and the guests of the hotel as final users of those services. In this context, the quality of the hotel's service is observed as the complete process that leads to a certain result. Each link in that functioning chain influences the final result and the opinions of the users about the service and the level of quality. The process of obtaining quality in the hotels is not connected solely with the work of the employees, but also with the methodology, the technology of the production processes etc. Herein it is necessary to have control and to assess the stability and the ability of the business processes.

In the paper, the focus is on the analysis of the key suggestions related to the way in which the hotel's activities should be planned, organized, established and controlled, as well as the continuous improvement of quality in the industry.

The data received by the research should help with the approach toward the management of quality in the Macedonian

hotel industry and the abilities of the managers to build a good quality system. The research has determined the "age" or i.e. the development of the hotel's capacities in accordance to all the pillars of the house of quality. It has also given the directions that will help advance the performances of the business processes, also to define the measures of enabling a sustainable business system and to encourage innovation.

2. Literature Review

The elements of the system of quality need to be developed by every hotel, in order to present itself as "a house of quality". The pillars of the house of quality are the following: internal standardization, methods and techniques for non-faulty operations, education and motivation, and quality costs (Balbaster Benavent et al., 2005; Casadesus & Gimenez, 2000).

The basis of the "house of quality" is the measuring, the assessment, the analysis and the comparison of quality and non-quality. We cannot be aware of the quality if we do not measure it, also we can't know what are our resources, what we lack to realize our mission and vision, and also what is our state, regional or international rating. The intensity and the magnitude of the measurement and the control of the characteristics depends on their importance for the quality and their accuracy. All of the business processes need to be organized with the process of measuring as a central basis in the assessment of the realized quality and in the comparison of the results to the business plan. The development of the hotel is an obligation and responsibility of the top management, which is also responsible for the quality of the hotel services.

García-Bernal et al., (2004), sees every company as a specific "value chain". "Value" in the "value chain" represents what customers are willing to pay for the product or service. The

system of quality is as a mosaic, because it seeks a continuous hiring of a large number of people that fill the mosaic, while the top management is responsible for the model of the mosaic and the methods which are used to fulfill it (Garg, 2014; Mitreva, 2011, Mitreva et al., 2017b). If someone does not know how to put the pieces to the mosaic, we need to teach him/her, if he/she does not want it we should relocate him or her to another position in order to give the maximum to the job. The information and the standards of quality are the basis in the development process of the quality of the services.

In order to realize a good quality system, it is necessary to have the appropriate education and training of the employees about the quality of the services, and it is also necessary to learn new techniques and methods for non-faulty working. The employees need to be motivated and attracted to their job position and not to be enforced, in order to obtain and improve the quality. The top management has the main role in the process of finding motivational activities and their realization (Gómez Gómez et al., 2011; Wee et al., 2016; Parker, 2003; Fatemi et al., 2016; Beskese & Cebeci, 2011).

The statistic process control is used to obtain stability and predictability of the production and the services. Every hotel is oriented toward an optimal quality of the products and the services. This means that the quality satisfies the needs of the consumers and the consumer's ability to pay for it (Kaplan & Norton, 2001; Ciampa, 2005; Deming, 1996; Mitreva et al., 2017c).

Nowadays, errors and defects occur that the consumer is not able to pay for and as a result the hotel is at a loss. The overall costs are defined by taking the optimal cost that the hotel should pay in order to acquire quality that is in relation to the consumer's expectations (Beskese & Cebeci 2001; Mitreva & Filiposki, 2012; Mitreva et al., 2016).

In the next section, we will present the results from the research that are in relation to the capacity of the management, the pillars of the house of quality and the measurement, the assessment, the analysis and the comparison of quality/non-quality in the hotel's services (Madan, 2010; Ritchie & Dale, 2000; Saat & Talib, 2015; Shameer & Sing, 2013).

3. Of the Hotel Description Industry in Macedonia

The touristic offer is a complex category that consists of numerous elements that directly or indirectly influence the quality of the services. The most characteristic direct receptor-

factors are the following: trade, hotel trade, restaurant trade, traffic, handicrafts, tourist agencies as mediators etc. On the other hand, the indirect factors are the following: public institutions, parks, water supply, electricity etc. Herein it is understandable that it is said that the tourist offer represents basis for the development of tourism. Macedonia has relatively well developed hotel accommodation. The total number of registered hotels of all categories are 140 by 16.01.2018, presented in Table 1.

Type of hotels	Number	%
Superior hotels with 5*	9	6,4
Hotels with 5*	3	2,1
Superior hotels with 4*	10	7,1
Hotel with 4*	46	32,9
Superior hotels with 3*	10	7,1
Hotels with 3*	36	25,7
Superior hotels with 2*	10	7,1
Hotels with 2*	14	10
Hotels with 1*	2	1,4
Total	140	

Table 1. The hotels' structure in Macedonia by 16.01.2018
Source: Ministry of economy, Sector of tourism and hospitality, Review of categorized hotels

From Table 1 we can notice that the most numerous are the four star hotels (32,9%), while the least common are the five star hotels (2,1%). Since 2013, Macedonia has started following the Regulations for hotels' categorization, which lead to giving one more star to those hotels that had improved standards, and they became super-hotels in their category. The obtained certificates for categorizations are valid for three years. As a result of the growing number of hotel accommodations, the number of hotel rooms and beds have increased as well. There is a variety in the current Macedonian tourist offer, and it encompasses all types of basic and additional capacities that give all kinds of services for accommodation. In conclusion with December 2017 from the total number of 28305 rooms and 73168 beds registered in all the tourist capacities, the hotels with three, four and five stars participate with 6777 rooms (24%) and 14.521 beds (19,8%).

In Table 2 we have shown the growth of the hotel rooms and beds in the period from 2015 – 2017. It can be noticed that the total number of rooms with three, four or five stars has increased for 14,4% or i.e. from 5.802 rooms in 2015 to 6.777 rooms in 2017; simultaneously there is an increase of 14,7% in the total number of hotel beds (Table 3), or from 12.390 in 2015 to 14.521 in 2017.

Number of hotel rooms in different accommodating objects in Macedonia according to the structure 2015-2017						
	2015	2016	%	2016	2017	%
	Rooms			Rooms		
Hotels *****	1258	1338	6%	1338	1455	9%
Hotels ****	2588	3005	16%	3005	3321	11%
Hotels ***	1956	2030	4%	2030	2001	-1%

Table 2. Number of hotel rooms with three, four and five stars in Macedonia according to the structure, 2015-2017.
Source: State statistical office (2017)

Number of hotel beds in different accommodating object in Macedonia according to the structure, 2015-2017						
	2015	2016	%	2016	2017	%
	Beds			Beds		
Hotels *****	2513	2739	9%	2739	2867	5%
Hotels ****	5363	6323	18%	6323	6964	10%
Hotels ***	4514	4657	3%	4657	4690	1%

Table 3. Number of hotel beds in different accommodating objects in Macedonia according to the structure, 2015-2017.
Source: State statistical office (2017)

4. Methods in the Research and Analyses of the Results

In the research, qualitative and quantitative methods are used. The qualitative approach includes a review of the literature of many publications that generally deal with the issues of the quality system and its application in practice (Mitreva, et al., 2017a; Mitreva, et al., 2018).

The quantitative approach consisted of an electronic survey

designed for hotel managers with three, four and five stars. The survey was conducted in the period March-April 2018, with a reminder of every unanswered questionnaire sent on a weekly basis.

The sample is made according to the list obtained from the Sector for Tourism and Catering within the Ministry of Economy (Table 4). In addition, more than half of the hotels identified for the survey have four stars (48,9%), more than a third have three stars (38,3%), while only 12,8% have five stars.

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Type of hotels	Number	%
Hotels with 5*	12	12,8
Hotels with 4*	46	48,9
Hotels with 3*	36	38,3
Total	94	100

Table 4.
Sample
in the survey

Source: Government of the Republic of Macedonia, Ministry of Economy, Sector for Tourism and Catering.

Note: Data as of May 2018.

Although the survey was ambitious and involved a total of 94 hotel managers with three, four and five stars, only 37 of them responded to the electronic survey. The distribution of responses by type of hotel is visually presented in Table 5. The obtained response rate of 39,4% is relatively high given regarding the fact that it is an electronic survey where, due to lack of personal contact, the percentage of answers usually ranges between the 16- 25% (Bohdanowicz 2005a; Medina-Munoz Garcia-Falcon 2000).

Type of hotels	Number	%
Hotels with 5*	10	27
Hotels with 4*	17	46
Hotels with 3*	10	27
Total	37	100

Table 5.
Distribution of
answers by type of
hotel in percentages

The electronic survey consists of a questionnaire structured in four parts:

Part I: General data (open questions based on the type of hotel, years of operation, number of employees, categorization, etc.);

Part II: Total quality management system (thirty-five yes / no questions related to the design and implementation of a quality system);

Part III: Pillars of the house of quality. The House of Quality is held by four subsystems: internal standardization, methods and techniques of quality, education and motivation and cost-benefit analysis, at the top of which is top management, and basically is measuring, evaluating, analyzing and comparing quality / poor quality (thirty-five questions related to the application of the quality system in companies). The third part of the research should determine the "age", that is, the development of hotel capacities on the pillars of the house of quality (from a young and underdeveloped system to a mature and developed

system).

Part IV: Indicators for obtaining a European Quality Award (sixty questions for measuring indicators). The current situation was analyzed through the criteria for obtaining the European Quality Award: leadership, policy and strategy, employee management, resources, processes, customer satisfaction, employee satisfaction, company impact, business results and how much is invested in innovation. Through these criteria, it was assessed where Macedonian hotels were positioned if they were competing for the European Quality Award.

Part V: Managerial assessment (twenty-two questions for measuring the managers' estimates of the advantage and limitations in the implementation of the total quality management system). The questions from the second and third part of the questionnaire determined the degree of implementation of the quality system in the hotel industry. The goal is to identify whether higher-ranking hotels use the same or different practices when designing and implementing a quality system, compared to lower-rated hotels.

The questionnaire consisted of one type of questions: Answers according to the 5-degree Likert scale (where 1 = no, do not plan at all, and 5 = have implemented). Thus, in interpreting the average values of the results, in the quantification of the influence factor, the following scheme is applied: 1.00-1.80 (not, they do not plan at all); 1.81-2.60 (activities are planned); 2.61-3.40 (in the initial phase); 3.41-4.20 (advanced); and 4.21-5.00 (have implemented).

5. Analyses of the Results

The aim of the questions in the second and the third part of the questionnaire aimed to define the current degree of application of the system for total management of quality. The house of quality consists of four sub-systems: internal standardization, education, motivation and an analysis on the costs of quality. The aim was to identify if the higher ranked hotels apply the same or similar practices as the lower ranged hotels in the implementation of the system for total management of quality. In Table 6, we have presented the total results derived from the answers in the questionnaire in relation to the indicators for assessment of the level of implementation of the internal standardization in the hotels, as the first pillar of the house of quality.

Indicators for assessment the level of implementation the internal standardization	Hotels with 3*	Hotels with 4*	Hotels with 5*	Total
	Average grade	Average grade	Average grade	Average grade
The quality system has been introduced according to ISO 9001:2015	2,6	3,4	4,5	3,5
There is a certificate for the quality system according to ISO 9001:2008 or ISO 9001:2015	2,4	3,3	4,0	3,2
There is a publicly outstanding quality policy	3,3	3,3	3,9	3,5
The quality system has been introduced according to ISO 14001:2015	2,2	3,2	4,1	3,2
The quality system has been introduced according to ISO 22000:2005	2,6	3,1	4,7	3,5
There is an ECO sticker	2,4	2,4	2,5	2,4
The HACCP system has been introduced	3,7	4,1	4,4	4,0
The HALAL system has been introduced	1,9	2,7	2,8	2,5
The system of health and safety managing practices at work has been introduced ISO 45001:2018	2,9	3,4	3,8	3,4
The information security managing system has been introduced ISO/IEC 27001	3,1	3,4	4,2	3,0
The energy management system has been introduced ISO 50001:2018	3,1	3,4	4,3	3,6
It is planned to introduce some of the international quality systems in future	3,2	3,4	4,3	3,6
The tasks, duties and responsibilities of the employees have been defined in details through the standard operative procedures (SOP)	3,7	3,9	4,3	3,9
The employees get precise superior orders only for complex activities or specific demands of the customers	3,8	4,1	4,7	4,2
There is a manager in charge of the quality system	3,2	4,1	4,3	3,9
There is an award connected to the quality of service	3,1	4,2	4,2	3,8
Average value	2,9	3,5	3,6	3,3

Table 6. Indicators for an assessment on the level of implementation of the internal standardization in the hotels

Note: The influence factor is shown in color according to the following legend:

1.00-1.80 (no, they do not plan at all)	1.81-2.60 (activities are planned)	2.61-3.40 (the activities are at start)	3.41-4.20 (the activities are at advanced phase)	4.21-5.00 (They have implemented the activities)
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Generally, it was concluded from the research that the analyzed hotels have different views about the researched problems. It should be emphasized that among the analyzed hotels there are both hotels that have been on the tourist market for only 5 years, but there are also well positioned hotels with more than 15 years of experience. It can be noted from table 6 that regardless of the categories (3*, 4*, 5*), the general notion is that the indicators for an assessment of the process of conducting the quality systems have shown middle or high influence factor. This means that these hotels are either in the initial phase or in a more advanced phase in the process for projection and implementation of the internal standardization (with mean value of 3,5). The need to enable work in accordance to the international standards and a strategic connection with the west countries has forced certain managers and owners into an implementation of systems of quality, which is confirmed by our research. However we can note in Table 6 the lack of a full implementation and certification of the internal standardization in accordance to ISO 9001:2015 with an influence factor (3,2 mean value). The mean value of the influence factor shows that the hotels are in the initial phase with the activities for the implementation and certification of the quality system. Generally, the managers in the Macedonian hotels have stated that they have certificates for the system of quality according to ISO 9001:2015, but with a mean value of 3,2 which shows that they are still in the initial phase.

The application and the certification of the different standards / systems of: quality, environment, employees' health and safety, social responsibility of the corporation, safety of the alimentary products, information conduct, energy etc; seeks a new and proactive manager style and systematic orientation, as well as reengineering of the business processes. On the other hand, the hotels with 3* and 4* pose a separate problem, because they are not able to independently fulfill the requests of the systems. From Table 6 can be concluded that (generally for all hotels) the indicators for an assessment on the conduct of different standards / systems are in the following order: have an introduced system of quality according to ISO 14001:2015 (3,2 mean value), have a system for health and safety conduct during work ISO 45001:2018 (3,4 mean value), have a system for conduct of information safety (3,0 mean value). These evaluations show that all of the hotels are in the initial phase.

Also, Table 6 shows that (in all categories) the indicators for an assessment of the implementation of the quality system according to ISO 22000:2018 are in an advanced phase (3,5

mean value) and have an introduced HACCP system (4,0 high value), because of the legal obligation. This is due to the Macedonian legal regulation that obliges all the subjects that are in the cultivation, the production and the processing business with alimentary products to implement HACCP and other standards as well. Table 6 shows that there is a small number of indicators where the implementation of different standards / systems is on a low level, except in the questions related to owning an ECO label (2,4 mean value) and an implementation of Halal system (2,5 mean value). These indicators show that the hotels plan activities related to the implementation of these systems in future. However, the concerning data is that two thirds of the hotels (regardless of the category) have not implemented a Halal system. Macedonia as a candidate for membership in the European Union must put greater effort in fulfilling the international standards. Also large part of the three and four star hotels lack an ECO label.

We are glad that the data shows that all of the three categories of hotels have a 3,6 influence factor, which means that they plan on introducing some of the international standards of quality in a near future and that they are in an advanced phase of the realization of the planned activities. Table 6 shows that the indicators for the assessment of the efficiency of the quality system (in 3,4,5 star hotels) by the conducting of the business processes (identification, documentation and control) and by the documentation for the system's efficiency are in the range from 3,9 - 4,2, which suggests an advanced phase of the activities. In order to have an effective and efficient system of quality, it is important to give the employees clear and precise standard operative procedures (SOP) for every activity, to have criteria for assessing the good results for specific and complicated type of work, specific solutions and specific requests by the buyers / users. The formal certification of hotels in accordance to ISO 9001:2015 standards does not meet the requests of the ISO standards and does not result with the desired advantages on the market.

The quality in the hotels is connected both to the employees' work and the machines, the technology of the production processes as well, herein it is necessary to have a control and to assess the stability and the ability of the business processes.

In Table 7 are shown the total results obtained by the answers of the questions in the third part of the questionnaire that referred to the indicators for an assessment of the system for control of quality in the hotels (%) as a second pillar in the house of quality.

Indicators for an assessment on the level of implementation of the system for control of the quality in the hotels	Hotels with 3*	Hotels with 4*	Hotels with 5*	Total
	Average grade	Average grade	Average grade	Average grade
There are supervisors to control all operations	2,9	3,4	5,0	3,8
It uses the technique of a "blind" guest to make self-assessment of employees and operations	3,4	3,4	4,3	3,7
It makes a plan to control all the activities of all operations	3,8	3,9	4,2	3,9
It makes reports from the control of all activities of all operations	3,8	3,9	4,5	4,0
It makes internal control at the input of raw materials and intermediate goods	4,2	3,8	4,9	4,3
It makes anonymous questioning of the guests regarding their satisfaction / dissatisfaction with the services	3,4	3,4	4,9	3,9
It accepts the objections and complaints from the guests	4,3	4,3	4,8	4,5
Arithmetic mean of values	3,7	3,7	4,7	4,0

Table 7. Indicators for an assessment on the level of implementation of the system for control of the quality in the hotels

Note: The influence factor is shown in color according to the following legend:

1.00-1.80 (no, they do not plan at all)	1.81-2.60 (activities are planned)	2.61-3.40 (the activities are at start)	3.41-4.20 (the activities are at advanced phase)	4.21-5.00 (They have implemented the activities)
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Generally Table 7 shows that the indicators for an assessment of the conduct with the system of quality control have middle and high influence factor, which means that they are in an advanced phase or that they have an implemented system for quality control. The managers of the Macedonian hotels from all categories have assessed that they have supervisors to control all operations (3,8 mean value), they use a technique of

a "blind" guest in order to make a self-evaluation of the employees and the operations (3,7 mean value). Hotels in every category make a plan for the control system of all the operations (3,9 mean value), and they make reports from the control of all these activities (4,0 mean value). The hotels in all category make an internal control on the input of the raw materials and the victuals (4,3 mean value). These values show that they are

in an advanced phase.

Table 7 shows that there is a small number of indicators where the system of quality control is on a low level, and that refers to the hotels with three and four stars. These indicators related to the questions in the anonymous questionnaires given to the guests in relation to the satisfaction and the dissatisfaction of the services (3,4 mean value), also to the usage of the technique of a "blind" guest in order to make a self-evaluation of the employees and the operations (3,4 mean value), as well as to the presence of supervisors that control all the operation (2,9 mean value for the hotels with a 2,9 mean value and 3,4 mean value for the four star hotels. These indicators show that the hotels plan activities related to the development of the business processes.

It is obvious that the five star hotels show a significantly less concern in relation to the questions about the control of the quality system. They have a large number of supervisors that control all operations, also they use the technique of a "blind" guest in order to make self-evaluation of the employees and the operations, they make plan and reports about the control of all the activities and operations, they make anonymous ques-

tionnaires for the guests in relation to their satisfaction and dissatisfaction with the services and they accept the objections and the reclamations, which means that they work continuously on the development of the business processes. The surveyed four star hotels and the low rated hotels with three stars are in a certain advanced phase, although from our own experience we believe they are in some of the initial phases.

Nowadays, the new approach toward quality seeks new activities on the educational field for the employees, an introduction of standardization of all the processes, an introduction of a statistical process control for non-defective work, as well as a new approach in the analysis of costs. This simultaneously means a drastic change in the behaviour toward the employees, radical changes in the organizational arrangement, a clear definition of the rights, the obligations and the responsibilities of each individual in the hotel.

In Table 8 are shown the total results obtained from the responses of the questions in the third part of the questionnaire which refers to the indicators for the evaluation of the system for the analysis of the costs for the quality in the hotels.

The indicators for an evaluation of the system for an analysis of the costs for the quality in the hotels	Hotels with 3*	Hotels with 4*	Hotels with 5*	Total
	Average grade	Average grade	Average grade	Average grade
There are supervisors to control all operations	2,9	3,4	5,0	3,7
It uses the technique of a "blind" guest to make self-assessment of employees and operations	3,4	3,4	4,3	3,7
The prices of their products and services on the basis of costs and their own business policy	1,8	2,9	4,2	2,96
The prices of their products and services on the basis of comparison with competition	3,8	3,9	4,5	4,0
They make an analysis regarding the complaints and objections by guests	1,8	3,8	4,9	3,5
It makes financial analysis in terms of losses occurred as a result of objections and complaints	1,9	2,7	4,3	2,96
It makes internal control at the input of raw materials and intermediate goods	4,2	3,8	4,9	4,3
It makes anonymous questioning of the guests regarding their satisfaction / dissatisfaction with the services	3,4	3,4	4,9	3,9
It accepts the objections and complaints from the guests	4,3	4,3	4,8	4,5
Arithmetic mean of values	3,0	3,5	4,7	3,7

Table 8. The indicators for an evaluation of the system for an analysis of the costs for the quality in the hotels

Note: The influence factor is shown in color according to the following legend:

1.00-1.80 (no, they do not plan at all)	1.81-2.60 (activities are planned)	2.61-3.40 (the activities are at start)	3.41-4.20 (the activities are at advanced phase)	4.21-5.00 (They have implemented the activities)
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Table 8 shows that the indicators for an evaluation of the conduct with the system for quality costs analysis are rated with a middle and an advanced influence factor, this means that they are in an initial or an advanced phase, or that they have early implemented a system for an analysis of the quality costs. Managers of all types of hotels in Macedonia have assessed that they have supervisors that control all operations (3,7 mean value), they use a technique of a "blind" guest in order to make a self-evaluation of the employees and the operations (3,7 mean value). The hotels in all categories confirm the prices of their products and services in accordance to their costs and the personal politics (2,96 mean value), while the comparison to the competition in relation to the prices is evaluated with 4,0 mean value.

The hotels in every category make an internal control for the input of the raw materials and the victuals (4,3 mean value), and the level shows that they are in an advanced phase. Table 8 is a representation of the large number of indicators where the system for an analysis of the quality costs are in a low level, which refers to the three and four star hotels. These indicators are related to the questions in the anonymous questionnaire for the guests about their satisfaction/dissatisfaction with the services (3,4 mean value), an analysis of the complaints and the objections of the guests (1,8 mean value), an acceptance of the objections and the reclamations by the guests (4,3 mean value), a financial analysis in relation to the losses which resulted from the complaints and the objections (1,9 mean value), a usage of the "blind" guest technique in order to evaluate the employees

and the operations (3,4 mean value), the presence of supervisors that control all the operations (2,9 mean value for the three star hotels and 3,4 mean value for the four star hotels).

These indicators show that the hotels plan activities related to the development of the business processes. The surveyed four star hotels and the lower three star hotels are in a certain stage of the advanced phase, although our experience makes us believe the contrary.

The five star hotels show an importantly larger care in relation to the questions on the analysis of the quality costs, the implementation of the integral control of the system for quality control and projection and implementation of the total management of quality. They have large number of supervisors for the control of all operations, they use a technique of a "blind" guest in order to evaluate the employees and the operations, they practice anonymous surveys for the satisfaction or the dissatisfaction of the guests with the services, they analyze and accept the reclamations and the objections which means that they continuously work on the development of the business processes. The five star hotels determine their prices on the basis of their personal analysis of the costs and a very small number of them determine the prices by making comparisons with the competition.

Table 9 shows the total results obtained from the responses on the questions in the second part of the questionnaire which refers to the indicators that evaluate conduct of the systems for educating and motivating the employees of the hotels.

Indicators for an assessment on the level of implementation of the system for education and the motivation in the hotels	Hotels with 3*	Hotels with 4*	Hotels with 5*	Total
	Average grade	Average grade	Average grade	Average grade
The work potential corresponds to the needs of hotel facilities	2,6	3,4	4,1	3,4
The educational structure of the employees corresponds to the needs of the hotel	2,4	3,3	3,8	3,2
There are trainings for acquiring additional knowledge among the employees	2,3	3,3	3,5	3,0
Consultancy services are used to acquire knowledge among employees	2,2	3,2	3,8	3,1
They make an assessment of whether employees have the knowledge, skills, and ability to respond to their assigned tasks	2,6	3,1	4,7	3,5
There is a policy for rewarding employees	2,4	2,4	2,5	2,4
There are house rules for employees	2,7	4,1	4,4	3,7
Employee satisfaction is assessed through anonymous questionnaires	1,9	2,7	2,8	2,5
Arithmetic mean of values	2,4	3,2	3,7	3,1

Table 9. Indicators for an assessment on the level of implementation of the system for education and the motivation in the hotels

Note: The influence factor is shown in color according to the following legend:

1.00-1.80 (no, they do not plan at all)	1.81-2.60 (activities are planned)	2.61-3.40 (the activities are at start)	3.41-4.20 (the activities are at advanced phase)	4.21-5.00 (They have implemented the activities)
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In Table 9 we can note that the indicators for an evaluation of the conduct with the system for employees' education and motivation show a low influence factor. Macedonian managers have assessed that the work potential (3,4 mean value) and their educational structure (3,2 mean value) matches the needs of the hotel capacities, which shows a low influence factor; they have training for gaining additional knowledge by the employees (3,0 mean value) and show that they are in an initial phase; they use advisory services for educating the employees (3,1 mean value in an initial phase); they make an assessment if the employees have the knowledge, the skills and the ability to respond to the imposed tasks (3,5 mean value in an advanced phase); they have a book of regulations for awarding the employees (2,4 mean value in an initial phase i.e. planned activities); they have house rules for the employees (3,7 mean value in an advanced phase); they evaluate the satisfaction with the work of the employees by an anonymous surveys or questionnaires (2,5 mean value in an initial phase, which means planned activities).

Table 9 shows that there is a small number of indicators where the implementation of the system for employees' education and motivation is on a low level, and this is related to the question on the projection and the implementation of the book of regulations for awarding the employees (2,4 mean value in an initial phase) and the assessment of the satisfaction of the employees with their job through an anonymous questionnaires (2,5 mean value in an initial phase) and these indicators show that the hotels plan activities related to the implementation of these systems. Also the total influence factor has a value of 3,1 on a level of all the three categories of the surveyed hotels show that they plan and are in an initial phase in relation to the projection and the implementation of the long-life learning and employees' motivation.

According to the research, it can be seen that most of the trainings are realized by the hotels themselves in order to enable additional skill training or retraining of the employees.

The need to raise the level of qualification of the employees is especially important in conditions when there are investments in the modern technology.

The Macedonian experiences show a necessity of a continuous training of the workers themselves, and especially the training in accordance to the programs in conformity with the needs of the EU.

It can be noted that the five star hotels show a significantly large care about the questions in relation to the life-long learning and the projection and the implementation of the motivation system (3,5 mean value in an advanced phase). If the hotel strives toward success, it is necessary to create a recipe for sustainable development. The surveyed four-star hotels are in an initial phase, which is not true for the low rated three star hotels. The three star hotels make the first steps toward the development of the human potential, simultaneously with the organizational culture that will mean larger value of the capital in future. In this way, the

employees will represent an important source of sustainable competitive advantage. The question on the efficient collaboration with the scientific and research, the university and other educational institutions in the recent years and also the question of the usage of the advisory help for the development of the employees knowledge lead to the same conclusion. The research has shown that not only the collaboration is weak (with only 3,1 mean value), but those that have a certain degree of collaboration are on a low or middle level. This is in most part a consequence from the insufficient information that the hotels have about the services offered by these organizations and programs. Also the conclusions show that as high rank is the hotel, the perception of the organizational study of all the employees as part of the total management process for quality becomes a key factor, because new techniques are not learned, and there is not a possibility for development and advancement.

It is obvious that the five star hotels care a lot about the house rules of the hotels (3,7 mean value which means that they are in an advanced phase) compared to the three and four star hotels. The lack of book of regulations about employees' awards, or its existence only in the planning stage (2,4 mean value) is present in all of the three categories of hotels. This condition creates demotivation and dissatisfaction of the employees with their work, and the consequences are weak business results of the hotels. The managers do not invest in the work potential that needs to be developed and good results can be expected only if it is invested into it. The research show a lack of assessment of the satisfaction and the dissatisfaction with the work of the employees through an anonymous questionnaires (2,5 mean value) in all of the three categories of the hotels. In times of knowledge, people pay more and more attention on the employees' satisfaction and the discovery of the degree of motivation. Satisfied employees strive toward improvement or i.e. they make an effort to improve the quality of the products / services. The key factor is in the material and instrumental equipment on the workplace, especially the informational and communicational connections that are a factor in the effectiveness and the efficiency of the business processes.

If we aim for a good conduct of the employees, then it is essential to have an effective dialogue with those employees and to ensure their loyalty toward the hotel. Although the data is unofficial (because it's obtained through a direct contact with the employees), it is concerning that there is only partial loyalty toward the hotel as a result of the lack of clear and honorable relations between the managers and the employees, which is essential in establishing confidence in the business relations. Hotels are aware of the role and the meaning of the employees' motivation and satisfaction over the efficiency of their work.

In Table 10 we have presented the total results derived from the responses in the third part of the questionnaire, which refers to the indicators for an assessment of the total management system for quality in the hotels.

QUALITY MANAGEMENT

Indicators for assessment of the three pillars of house of quality	3* Hotels	4* Hotels	5* Hotels	Total
	Average grade	Average grade	Average grade	Average grade
Application of internal standardization	2,9	3,5	3,6	3,3
Application of integral quality control	3,7	3,7	4,7	4,0
Application of a system for quality costs' optimization	3,0	3,5	4,6	3,7
Application of a system for educating and motivating the employees	2,4	3,2	3,7	3,1
Arithmetic mean of the values	3,0	3,5	4,2	3,5

Table 10. Indicators for an assessment of the total management system for quality in the hotels

Note: The influence factor is shown in color according to the following legend:

1.00-1.80 (no, they do not plan at all)	1.81-2.60 (activities are planned)	2.61-3.40 (the activities are at start)	3.41-4.20 (the activities are at advanced phase)	4.21-5.00 (They have implemented the activities)
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From Table 10 for all types of hotels (3*, 4*, 5*) can be noted that the indicators for an assessment of the conduct with the total management system for quality in the surveyed hotels show middle or high influence factor. This means that the surveyed hotels are in the initial or the advanced phase of the process for projecting and implementing the internal standardization (3,5 mean value). The need to enable working under international standards and strategic connections with the western countries has forced some of the managers and owners of hotels to implement a quality system, which was confirmed by our research.

5. Conclusions and Recommendations

The experiences around the world has shown that large number of hotels have significant difficulties in the implementations of the TQM (Total Quality Management) system. Although it is theoretically well organized, in practice difficulties arise and often hotels cancel the implementation regardless of their initial acceptance of the system. The management in the hotels often only declares as positive for the introduction of this system, and it later shows unpreparedness to develop support for its realization. There is a large number of managers who are not enthusiastic enough to transfer that positive feeling to the other employees, in order to develop the system of quality. Also there are many managers who don't want to give some of their authority to the lower levels. We should also mention the unpreparedness of the employees to change their habits acquired throughout the years while doing the given tasks. These are some of the reasons for the unsuccessful establishment of the quality system. It is logical to conclude that if the management of an organization shows disinterest or inability to continuously develop the quality, it is pointless to expect it from the employees. It is expected that before making the final decision, the management should check its own readiness and the eventual problems that might arise in the process of the establishment and the implementation of the quality system.

The recommendations derived from the results of our research are the following: in order to successfully implement and develop a TQM system of quality, it is necessary for the Macedonian managers to make a clear decision and to develop the quality through practical actions. If the answers to these suppositions are satisfactory, then the organization can be confident in its way to success. Also they have to use appropriate procedures while establishing the quality system, which is oriented toward the market and it is led by the consumer, with a great emphasis on the role of the employees. Our examination has shown that the hotels that have only formally certified a system for obtaining quality of the products/services, do not fulfill the requests of the ISO standards and do not have any gain from that formally certified quality system.

The main conclusion from our research is that the Macedonian hotels need to measure constantly the satisfaction of the users of the services, which means using different methods and techniques for a continuous development of quality of the hotel's product and succeeding in satisfying the tourists. The top management needs to build a system for an integral control on

quality directed to following the whole production and accommodation process, by emphasizing the exceptions and the errors that might influence the quality of the product and herein to enable to make measures timely if there are reasons for it. The system of quality with an underdeveloped and unapplied concept of statistical process control (SPC) will not guarantee its own survival. On the other hand, the application of SPC without a developed system for saving the data and standard operative procedures (SOP) is illogical, and its application will come down to solely recording errors for which are needed trained teams. The use of SPC is one of the requests of ISO 9001:2015.

The managers in the whole industry need to create stations throughout the company in order to identify and analyze the weak placed and to analyze the costs for reclamations, errors, defects or i.e. all the costs that derived from the lack of quality. The lack of statistical approach in the processing of the data, the assessment of quality and the transfer of information, causes a lot of the problems in the Macedonian hotels. The application of the statistical process control (SPC) is present in a small number of hotels. The instructions about the importance and the usage of SPC and the improvement of the services' quality need to be available in all fields: marketing, sales, production, finances, human resources; but these seeks a regular training for all the employees. The conclusions show that the higher the rating of the hotel, that higher is the perception for the different standards in relation to the quality, the environment, the safety at work, the conduct of information, the energy and the safety of food. The technical and technological equipment of the Macedonian hotels is almost at a satisfactory level and satisfies more or less the current requests of the buyers/users. The problems are mostly derived from the badly organized business processes and the inability to satisfy the needed standards of quality. In the Macedonian hotels the same technology is used to realize lower business results. The reason is not only the lack of modern technology, but also the weaker manager abilities, the qualifications and the satisfaction of the employees, and the quality of conduct of the business processes. Examples of an integral control and self-control appear in the surveyed hotels that are on the tourist market for the past 15 years. Their consistency on the market is a result of an integral control on quality, which is based on the participation of all employees for the development of quality. This has been achieved by changing the behavior and the sense of the job depending on their knowledge, education, desire and motivation. The application of the model of an integral control of quality doesn't require equipment investments or new technology, but only a different approach toward the job.

The Macedonian hotels have to strive for a minimization of the costs, which means that they need to use only the necessary sources for the given production level. This will mean higher profit for the hotels, because there will be greater difference in the production price and the selling price at minimal costs.

Herein, the general conclusion is the need of application of the integral model of a total management for quality, which does not require investments in equipment, new technology, but only a different approach toward the work, the completing of tasks, the mutual communications, unity in the realization of quality as well as correctness and the higher responsibility toward the job and the consumers. These types of activities can help measure

the results that directly decrease the operation costs for working of the hotels. The new approach toward quality seeks new activities in the educational field of the employees, and that means a drastic change in the employees' behavior, radical changes in the organization, clear definition of the rights, the obligations and the responsibilities of every individual at the hotel.

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Customer Satisfaction and Enterprise Performance: A Study from the Electronics and Communication Equipment Retail Industry in the Czech Republic

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Abstract

The aim of this paper is to identify whether customer satisfaction measured by means of mystery shopping in selected retail companies in the electronics and communication equipment industry and their loyalty expressed by the NPS score correlate with the performance of the selected enterprises. The study contains research into communication with customers at the point of sale and customer satisfaction, with a focus on the five most significant representatives of this industry. The performance of companies is evaluated through the ROA, ROE and ATO indicators based on data available in the Magnusweb database. The study shows that customers satisfied during the sale of products also express their loyalty, which was measured by the NPS score. The said research conducted in the Czech Republic failed to prove the correlation between customer satisfaction and loyalty on the one hand and the selected enterprise performance indicators on the other. The same conclusion has also appeared in several research studies conducted abroad.

Keywords: customer satisfaction; Czech Republic; enterprise performance; electronics and communication equipment; retail.

1. Introduction

Enterprise performance as well as customer satisfaction (CS) and loyalty are phenomena that are at the forefront of the assessment of not only the current, but also the future value and the prospect of an enterprise in the current demanding, fully competitive conditions. CS and loyalty are prerequisites for the strengthening of the position of an enterprise in the market, and thus are also connected with achieving success in customer orientation (Kotler & Keller, 2013), which in turn is connected with the quality of services provided. The focus on service quality combined with communication with customers during the sale of competitive products is undoubtedly key to increasing the performance of an enterprise, in this case in retail in the electronics and communication equipment industry at traditional (not on-line) points of sale.

In the presented study, enterprise performance is measured based on the analysis of publicly available (Magnusweb) data from closing financial statements (specifically, balance sheets and profit and loss statements). This (quantitative) way of measuring performance based on accounting data is fairly common (compare with, e.g., Gunasekaran et al., 2005; Gupta & Galloway, 2003). CS is one of the conclusions of an independent research study conducted by way of mystery shopping, which is suitable for checking customer service and communication with customers. The items 'satisfaction' and 'loyalty' are included in the records obtained by trained observers according to mystery shopping scenarios at the point of sale of the tested enterprises in three regions of the Czech Republic (cf. Eger & Mičič, 2017). Mystery shopping is used to gather information about customer-oriented communication,

their satisfaction with retail and customer feedback via NPS.

The purpose of this study is to investigate the level of customer-oriented service (communication), CS and search for its relation to the Net Promoter Score in retail industry Electronics and communication equipment in the Czech Republic. And following that the study examines the link between CS and various financial ratios that measure the performance of companies in the Czech Republic. This study may contribute in several ways to the literature regarding retail and personal selling, and CS and customer loyalty.

First, we assess the influence of some part of the shopping environment and of customer-oriented communication on CS and customer loyalty. Second, we operationalize and assess company's performance. Third, the study adds to the very limited research on company's performance and CS in retailing in the Czech Republic.

2. Literature overview

2.1. Enterprise performance

In general, enterprise performance can be defined in various ways, depending on the context that allows performance to be subsequently specified (Suchánek, Richter, & Králová, 2014). The specification of enterprise performance thus also affects the way it is measured. Drucker (1992) defines performance as the ultimate test of any organization. It may be added that such a test must have an economic dimension. More specifically, performance may be defined as the ability of an enterprise to increase the value of the invested capital (Hindls et al. 2003). With respect to CS, performance can be defined as the