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INNOVATIVE METHODOLOGY FOR THE DEVELOPMENT OF OPERATIONAL MANAGEMENT STANDARDS IN THE HOTEL BUSINESS

The object of the study is the role of corporate standards in increasing the effectiveness of service quality management in the hotel sector.

The work is aimed at clarifying and expanding the theoretical and methodological provisions of service quality management in the field of hospitality, for which it is necessary to propose a toolkit for the development and implementation of corporate standards, and to develop recommendations for improving the effectiveness of service quality management.

In the course of the study, logical approaches to the analysis and development of ways to improve the efficiency of service quality management in the field of hospitality based on corporate standards were used.

The work specifies the terminological apparatus, substantiates the role and relevance of corporate standards in hotel service. The goals, tasks, functions and structure of corporate standards are analyzed. The types and distinctive features of corporate standards are established. The prerequisites for the wide application of standards in the field of hospitality are substantiated, in particular, the close connection of the quality of service with the work of the staff, the wide application of the chain form of the organization of the hotel business, the 24-hour mode of operation of hotel enterprises, the high role of operational management and high staff turnover. A toolkit for the development and implementation of corporate standards is proposed. The role of the process approach in the development of service standards is substantiated. A list of service standards for a hotel enterprise is proposed. Recommendations for improving the efficiency of service quality management based on corporate standards in the field of hospitality have been developed.

A conclusion was made about the high role and effectiveness of using corporate standards as a service management tool in the field of hospitality. Mechanisms for the introduction and implementation of corporate standards have been developed. It is also important, that the list of standards of operational procedures becomes the basis for evaluating the results of the staff's activities, which plays a role in the motivational programs of the hotel enterprise.

Keywords: *operational standards, corporate standards, service standards, quality standards, hotel management, hotel service.*

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1. Introduction

To create a loyal customer base, managers of hotel enterprises try to identify factors that contribute to meeting the needs of their customers. In connection with the intensified competition in the Ukrainian market of hotel services, only highly competitive enterprises with modern management technologies will be able to survive in these conditions. In this regard, the search and analysis of effective management tools for hotel management becomes especially relevant.

According to research by global experts, a special role in the formation of the client base belongs to the quality of service [1]. Many works have been devoted to the study of problems of service quality in hotels. In some, the tools

that allow managing the quality of service are analyzed, in others, the results of the assessment of the quality of service are shown and the organization of work to improve the quality of service is studied [2–4].

Quality standards [5] are a universally recognized tool for managing the quality of service in the field of hospitality, as evidenced by the conducted research. The first standards in the field of hospitality began to be applied by international operators who manage chain business.

It is worth admitting, that important practical issues of the implementation of hotel compliance with state standards in the context of tourism administration are not sufficiently studied. Standardization is the process of establishing and applying standards that make it possible to include documents

from standards in the hotel and restaurant sector into a single record-keeping system. The topicality of the specified problem and its insufficient development led to the choice of the topic of the article and its purpose.

Therefore, *the purpose of the work* is to clarify and expand the theoretical and methodological provisions of service quality management in the field of hospitality, for which it is necessary to propose a toolkit for the development and implementation of corporate standards, and to develop recommendations for improving the effectiveness of service quality management.

The majority of hotels in Ukraine operate without a clearly defined categorization, while there is a persistent demand on the market for the introduction of new evaluation standards and reform of the categorization process itself, according to the results of an anonymous survey, conducted in December 2022 by the State Tourism Development Agency (STDA) and the Ukrainian Association of Hotels and resorts (UAHR) [6, 7].

The survey that was conducted showed that 81 % of hotels consider DSTU (State Standard of Ukraine) 4269:2003 on the classification of hotels to be outdated.

According to the survey, only 22 % of respondents rated their institution as meeting the requirements of DSTU 4269:2003. Tourist services. Classification of hotels [8, 9].

The majority, 61 %, of the respondents, reported that they had not received a certificate of category (star) assignment, and another 9 % had expired. 55 % of hotels with a category have only one star, 25 % have three, 15 % have four and 5 % have five. 35 % rated DSTU as outdated and are oriented to the requirements of guests and generally accepted standards. 22 % believe that demands must be asked and brought to reality. A fifth of the respondents reported that their hotel meets international standards, and the requirements of the State Technical University are outdated. In 4 %, the institution meets the requirements of DSTU, but they also consider the national standard to be outdated. Only 19 % were not even interested in the requirements of the State Standard.

In the hotel industry, quality standards are often called corporate standards, service standards, technological standards, and internal standards. Following established practice, we will also use these terms. We understand the corporate standard as a document that contains mandatory norms, rules, requirements, characteristics for this organization (corporation). Official documents in Ukraine do not clearly define this category of standards as an organization standard.

These standards are not only a means of improving reputation and advertising, but also serve as a tool for consumer protection and a guarantee of fair competition between hotels and restaurants.

The standard of the organization is a standardization document, approved by a legal entity, including a state corporation, a self-regulated organization, as well as an individual entrepreneur to improve production and ensure the quality of products, performance of work, and provision of services. The standard of the organization is developed and approved by a business entity (organization, enterprise, corporation, etc.), based on the need for its application. Obviously, the term «corporate standards» is broader than service standards and technological standards, and in practice it is synonymous with the terms «internal standard» and «quality standard».

2. Materials and Methods

The *object of the study* is the role of corporate standards in increasing the effectiveness of service quality management in the hotel sector.

Logical approaches to the analysis and development of ways to improve the efficiency of service quality management in the field of hospitality based on corporate standards are used.

The main goal of developing corporate standards in the field of hospitality is to improve the quality of service. The tasks to be solved are the following:

- regulation and formalization of service technologies;
- providing employees of hotel enterprises with written regulations;
- compliance with the uniform rules of service of chain hotels.

3. Results and Discussion

When analyzing the standards, first of all, it is necessary to determine the classification. Depending on the content, it is advisable to divide the corporate standards of hotel enterprises into groups. Two main groups should be distinguished: provision standards (equipment) and service standards. Standards can be divided into operational and technical. Almost all elements of the hotel must meet technical standards. Everything, from the color of sockets in the room to the cross section of the ventilation pipe in the laundry room, is prescribed in the standards. Operational standards are a compilation of rules and procedures for performing certain operations.

As practice shows, in some cases, hotels prefer comprehensive standards containing both technical requirements for equipment and facilities, as well as requirements for service technologies.

We propose to supplement the classification of corporate standards with a group of hospitality standards that constitute the ideological basis of the work of hotel employees (Fig. 1):

- *hospitality standards* – introduce the hotel's history, mission, goals, principles, and management system. The main task of these standards is the formation of the employee's involvement in the hotel. The more informed the employee, the more confident he/she will be when serving the guest. All hotel employees should know these standards;
- *service standards (operational, technological)* – contain a step-by-step description of the execution of certain guest service procedures. The standards of this group are intended primarily for line staff;
- *technical standards (facility and equipment)* – contain technical and other characteristics of the hotel's equipment and facilities. These standards are necessary already at the early stages of the hotel's life cycle, starting with its design, facility and equipment purchases.

Corporate standards (which consist of service standards and technical standards) are an indispensable management tool in the hotel industry, and providing a hotel with standards is one of the important tasks of hotel management. It can be solved in different ways. The easiest way is to conclude a management contract with a hotel operator, which will allow you to obtain ready-made standards. Technologies, sold by the operator, are formalized and fixed in

standards. These standards have been developed for years, continuously improved and practically tested, so working with them gives a good result. In addition to the standards, the hotel will receive consulting assistance, marketing technologies, and access to reservation systems from the operator. But you will have to pay a lot of money for it.

The second way is to contact the developers of a third-party company. However, at the same time, you need to be prepared for the fact that, in addition to significant financial costs, there is a high probability of receiving copied standards of another hotel with a completely different development concept. Therefore, if the hotel sees its development strategy as an independent enterprise and intends to achieve high results, the best option would be to develop its own standards.

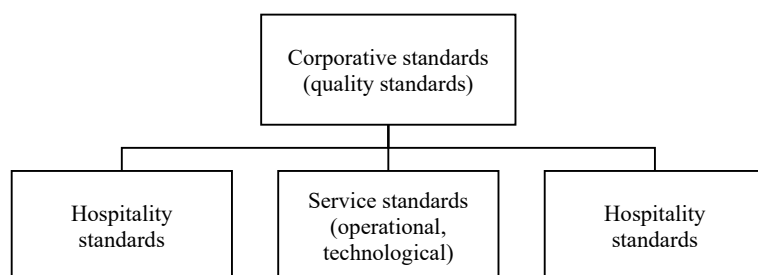


Fig. 1. Types of corporate standards in hotel enterprises

The main rules that should be taken into account when developing standards in the field of hospitality are as follows:

Rule 1. Standards must not contradict technical regulations and mandatory requirements of national standards.

Rule 2. It is necessary to ensure the possibility of quantitative measurement of the requirements of the standard for the object of standardization.

Rule 3. The standards must contain the organizational and methodological support necessary for their implementation, in particular, the interaction of the hotel's structural units; resources and staff; staff responsibility; documentation (logs, acts, protocols, conclusions, registration records, reports, etc.).

The recommended structure of the service standard for a hotel enterprise is as follows:

1. Title page.
2. Approval sheet.
3. Content of the standard.
4. Purpose.
5. Field of application.
6. Regulatory references.
7. Definitions, designations, abbreviations.
8. Description of procedures, rules, requirements.
9. Organizational and methodological support.
10. Evaluation criteria for the procedure.
11. Programs.
12. Consent sheet.

The development of standards, as far as possible, is expediently carried out within the framework of individual services (departments) of the hotel [10]. In this case, it will be possible to address corrective measures based on the results of the assessment to specific hotel services, which will ensure their quick elimination and the personal responsibility of the heads of the relevant services.

However, it would be absolutely wrong to limit the standards to the framework of individual services. There are a large number of «end-to-end» business processes that pass through several departments of the hotel, and most problems arise at the intersection of these departments.

For example, the hotel starts servicing a VIP guest at the airport: an executive class car is sent, the guest is obliged to be met by a representative from the hotel management with a bouquet of flowers. The guest is escorted to the car after checking the availability of luggage. If the exact time of the VIP guest's arrival is unknown, the reception and accommodation service is obliged to monitor the information in advance and periodically report it to all interested hotel services.

When developing service standards, the process approach, which involves a step-by-step description of the execution of technological procedures (business processes), is recognized as the most effective [11].

To develop service standards in the hotel, it is necessary:

- define the general business process of service;
- break down the overall business process into sub-processes, then smaller sub-processes into operations;
- determine quality indicators and evaluation criteria.

The development of standards is directly related to the management of business processes of the current activity of the hotel enterprise (Fig. 2):

- processes of training and adaptation of new employees – trainings, cross-trainings between divisions, training, certification, etc. are conducted based on standards;
- control and assessment of service quality;
- on the basis of standards, checklists of operational processes are drawn up, which is the basis for an objective assessment of the work of employees;
- staff motivation and development of key performance indicators (KPI – Key Performance Indicators), depending on the assessment of the quality of service of each employee;
- internal company standards are part of corporate culture and a means of uniting the team;
- for the further development and improvement of the activity of the hotel enterprise – the development of continuous process standards.

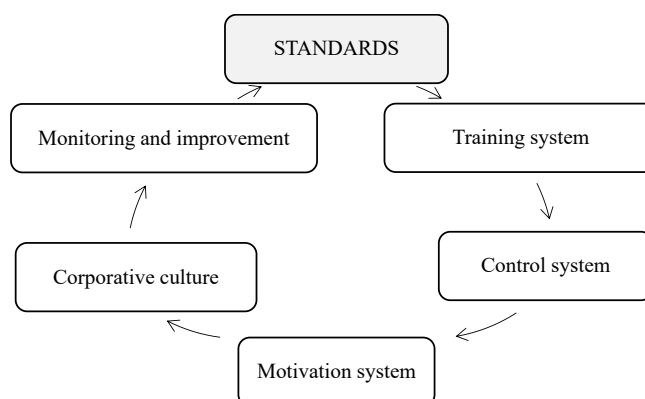


Fig. 2. Interrelation of standards of operational procedures and business processes of the current activity of the hotel enterprise

Therefore, the development of production standards for each hotel service:

- perceived as a production process;
- each process is represented as an operation;
- the order of execution of operations is distributed;
- qualitative and quantitative requirements for the process are defined;
- operations are timed;
- methods of performing each operation are determined (verbal, non-verbal);
- each method is specifically described (if possible, presenting it with a photo, diagram, image, etc.);
- a step-by-step description of the service process is carried out;
- typical situations of interaction with guests are formulated, including language patterns, etc. (Fig. 3).

The main reasons for the inefficient work of many companies are a weak understanding of the process approach and a formal attitude to writing standards and other regulations.

In order to develop effective standards in the hotel sector, it is necessary to solve the following tasks:

- clearly structure business processes;
- formalize the rules and requirements for the performance of individual operations that make up the business process in the form of service standards and other regulations.

The best hotels, which strive to achieve impeccable service, also set the time of execution of individual operations in the service standards. The main task of such standards is to divide the working day of an employee into certain stages, which are regulated by the time of the start and end of the action, the location of the employee, interaction with other departments.

The development of such regulations makes it possible to organize the work of staff in more detail: to eliminate situations of being in unauthorized places, to identify the reasons for delays or non-performance of certain works. If something goes wrong, you can always establish what should have happened at a specific moment in time, why it went wrong, and who is specifically responsible for it.

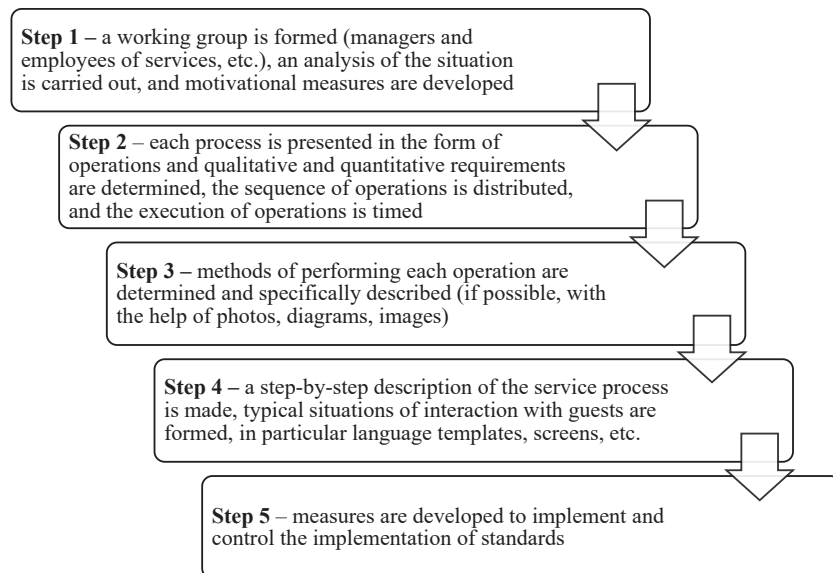


Fig. 3. Scheme of a step-by-step description of the process

However, even in the best standard, it is impossible to prescribe rules for all occasions. Is it possible to violate the standard? Industry experts advise that in certain cases it is possible to violate, but there is one thing that should not suffer – hospitality. Rules are there to be broken when heart or common sense calls for it. And it is very important to convey this opinion to employees.

After detailing the operations of individual business processes, they begin to form quality indicators that allow to control the quality of processes. In the practice of hotel enterprises, this is reflected in the development and implementation of checklists.

The following levels of standards are distinguished:

- *national standards* operating on the territory of the country (confirmed by a sign of compliance with it by certification, carried out by a certification body for confirmation of compliance with requirements);
- *corporate standard*: hotel chain; an internal standard, established within an independent hotel enterprise.

In chain hotels, managed by foreign companies, all business processes are based on international standards and adapted to each specific hotel. In independent hotels, trends in the implementation of standards have occurred in the last decade.

Popular hotel chains have long been using corporate standards in managing and serving visitors. But over the past several years, hotel complexes and health centers in various countries of the world have begun to undergo procedures for checking their work for compliance with international standards. ISO certification is universal and allows you to evaluate various aspects of financial and economic activity. In addition, various countries of the world have implemented their own regulations based on the ISO 9000 standard for companies working in the tourism industry. In some countries, hotels are checked for compliance with the requirements of standard 14000, which regulates environmental aspects of activity. One of the main goals of ISO certification is to increase customer satisfaction with the level of service.

Good knowledge of one or more foreign languages is one of the prerequisites for most applicants. Taking into account the growing demands for the quality of visitor service,

specialists in staff recruitment departments began to demand knowledge in the field of cultural studies, economics and even religion. Employees who have undergone special training and are able to quickly resolve conflict situations are especially valued. Applicants for administrative positions must know the specifics of the reservation system, be able to make cash and non-cash payments, and deal with VIP tourists. Certification of hotels, aimed at the implementation of uniform standards, has become a serious incentive for improving the quality of work of all employees, and has also led to increased requirements for staff.

The ISO 9001 quality management system allows you to significantly improve the quality of hotel work and improve the culture of service provision. At the same time, quality control will be carried out during the work itself [11].

Therefore, the development of a quality system is mainly to first determine what processes and structures should be included in the quality system and what functions they should perform to ensure the required quality of products/services, and then to develop all the necessary regulatory documents to fulfill these functions.

The quality system should include the following elements:

- effective management of the enterprise based on marketing;
- implementation of industry standard of quality;
- technology development (normative description) of production processes;
- presence of corporate culture;
- application of qualification requirements to employees (qualification standard);
- introduction of labor regulation (production standards);
- fair evaluation and motivation of work, etc.

After the start of a full-scale war in Ukraine, hoteliers found themselves in a situation, for which they were not prepared, and in which there could be no proven algorithms and standards of service. Next, the need for coordinated team work and the presence of an empowered leader played a role. For him/her, the most important thing is the ability to take responsibility and give a sense of control of the situation to both the guests and the team. For the most part, thanks to this approach, hotel facilities were able to survive.

Individual approach and non-standard solutions. The curfew made adjustments to the operation of the hotel. For example, employees of the facility (cooks, maids/laundresses, waiters, technical service) may stay overnight at work to maintain the usual level of service. For example, nowadays an important factor for guests when choosing a hotel is the presence of a bomb shelter. It should be equipped with: ventilation, autonomous heating, water pumps, generators, a toilet and minimal means and resources for comfort.

As a result of the development of service standards, the hotel will receive technologies that allow the staff to act according to a well-thought-out and worked-out scheme, without being distracted by the search for possible solutions. At the same time, it is necessary to ensure that the standards do not limit the creative potential of employees when solving certain issues. In this regard, it is advisable in the standard to define the areas where employees can make decisions independently, and where – in agreement with the management. Work experience shows that service standards gradually create prerequisites for more flexible work, gradual avoidance of rigid patterns, thereby allowing line staff to make decisions independently depending on the situation.

Working with standards in hotels is an ongoing process. The standards of hotels that strive to keep pace with modernity are constantly changing, and additions are made to them, as the requests of guests change.

The main prerequisites for the wide application of corporate standards in hotel service are presented in Fig. 4.

One of the features of the service sector, in particular hotel business, is the close dependence of the quality of services on the work of the staff. Any service is the result of direct interaction between the client and the staff, serving the client (guest) means serving him/her. Experts say that up to 90 % of hotel problems are caused by improper staff work [12]. Human replacement by various mechanisms, automata and other inventions of scientific and technical progress in the field of service is minimal, although research in the field of creating service robotics is already known. The higher the level of service in the hotel, the more staff is needed. And the matter is not at all the lack of inventions capable of reducing manual labor in the service sector. In the conditions of scientific and technical progress, people's need for communication is intensifying, in connection with which no even the most modern machine will be able to replace, for example, a shoe shiner in a hotel.

Managers cannot rely on an employee's personal perception of how work should be done – the procedure must be prescribed by creating service standards for each category of staff. As a result, the standards allow the employee to act according to a previously thought-out and worked-out scheme, without being distracted by the search for possible solutions.

Operational management, in contrast to strategic one, focuses attention on operations (methods) of production, in this case – operations of hotel product production. Given that the quality of the hotel product is the result of a very large number of operations, provided by various hotel services, operational management has a special role here. Poor performance of one or more operations can spoil the overall result of the entire team.

The hotel business is a business, made up of little things. There are many details in the hotel business, starting from the appearance of employees, the quality of room cleaning, communication with guests, etc. You can spend a lot of money, build a wonderful building, provide it with expensive furniture and equipment, but lose customers due to seemingly small mistakes, made by the service staff.

Just operational standards allow to anticipate all these little things by lining up a slender chain of rules.

The chain form of doing business is recognized as one of the most effective in the hotel industry. According to statistics, the share of rooms in chain hotels in Europe is up to 70 %. The basis of the work of chain hotels is a standardized product that allows the consumer to be guaranteed a consistently high quality of service, regardless of the location of the hotel. Hotels work around the clock, which excludes constant control by managers. In the evening and at night, when the number of supervisors exercising control is minimal, there is a high probability that a dishonest employee can reduce the work of a large team to zero. Under these conditions, service standards come to the rescue.

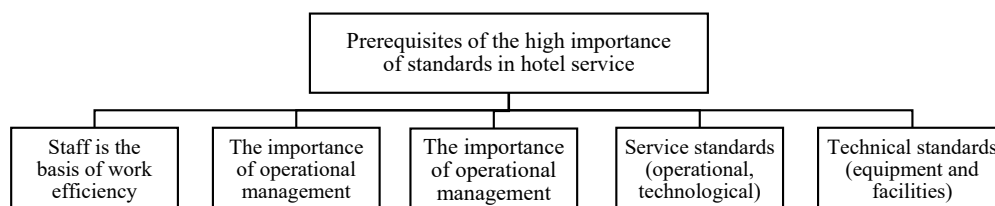


Fig. 4. Prerequisites of the high importance of standards in hotel service

Researchers give disappointing forecasts: in the USA, staff turnover in the field of hospitality is 100 % [13]. Ukrainian hotel companies also faced the problem of high staff turnover. Under the conditions of the construction of new hotel enterprises, this indicator has every chance of increasing. This means that hoteliers, constantly investing a lot of money in staff training, must be prepared for the fact that a trained employee can leave the hotel at any time. A newcomer will take his/her place – and all work with staff will have to be started anew.

Rigid standardization and formalization of service procedures is the basis of the effective operation of hotel enterprises. The task of hotel management is to provide hotel enterprises with effectively working quality standards and, no less important, to organize work on the implementation of standards and control their implementation. Thus, it should be concluded, that the development of operational procedure standards increases the competitiveness and positive image of the hotel enterprise and creates quality stability. For the effective work of staff, the developed standards simplify interactions between services and within a specific service, set a uniform corporate style and specify norms of corporate culture, help new employees develop and consolidate service skills during training and adaptation. It is also important, that the list of standards of operational procedures becomes the basis for evaluating the results of the staff's activities, which plays a role in the motivational programs of the hotel enterprise.

4. Conclusions

The work examines the factors affecting the need to develop operational procedure standards, which generally affect the competitiveness and effective management of a hotel enterprise. An important component of the study is the systematization of the main stages of standards development and the interrelationships of standards with the main business processes of a hotel enterprise:

- staff training and adaptation;
- control system and staff motivation system;
- corporate culture and improvement of the overall activity of the hotel enterprise.

The work specifies the terminological apparatus, substantiates the role and relevance of corporate standards in hotel service. The goals, tasks, functions and structure of corporate standards are analyzed. Mechanisms for the introduction and implementation of corporate standards have been developed. Added recommendations to international standards are adapted to modern Ukrainian realities.

Thus, strict standardization and formalization of service procedures is the basis of effective work of hotel enterprises. The task of hotel management is to provide hotel enterprises with effectively working quality standards. It is recommended to use the practical advice, described in this work, to develop hotel service standards.

Conflict of interest

The authors declare that they have no conflict of interest in relation to this research, including financial, personal,

authorship or other nature, which could affect the research and its results, presented in this article.

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Data availability

Data will be provided upon reasonable request.

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