

## UPRAVLJANJE ELEMENTIMA SUSTAVA USLUŽIVANJA U UGOSTITELJSTVU

### THE MANAGEMENT OF SERVICE SYSTEM ELEMENTS IN THE HOSPITALITY SECTORS

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#### *Sažetak*

U procesima pripreme i pružanja ugostiteljskih usluga, gost ima središnju ulogu, jer je on istodobno proizvođač i potrošač usluga, a njegovo ponašanje i ophođenje izraženo su osjetljivi. Ugostiteljska usluga kao predmet razmjene ima tržišnu vrijednost, ne samo za onoga tko je nudi nego i za njezina potrošača, tj. gosta/korisnika. Tržišna vrijednost postaje ostvariva samo uz dva uvjeta: prvi se odnosi na materijalna sredstva i ugostiteljsko uslužno osoblje, a drugi se odnosi na goste koji iskazuju potrebe i želje, pa njih zadovoljavaju kontaktiranjem s osobljem koje ih uslužuje. Najčešće se prepoznaju slijedeći glavni elementi koji čine sustav usluživanja: tri elementa pripadaju samom ugostiteljskom objektu (sustav unutarne organizacije, materijalna oprema i uslužno osoblje), dva elementa pripadaju tržištu (gost «A» i gost «B»), a dva elementa predstavljaju rezultantu interakcije gosta «A» i gosta «B» s elementima ugostiteljskog objekta, a to su usluga «A» i usluga «B». Između tih elemenata u sustavu usluživanja dolazi do primarnih odnosa, unutarnjih odnosa i odnosa istovremenosti. Općenito promatrajući, opis sustava usluživanja dovodi do uočavanja problema djelotvornosti toga koncepta u smislu menadžerskog odlučivanja. Zadaci davatelja usluga odnose se na osmišljavanje usluživanja, pri čemu menadžment osobito treba shvatiti da je usluživanje sustav (što znači da je opća i cjelovita zamisao) i valja uvijek imati na umu da je najbolji smisao sustava usluživanja zadovoljiti očekivanja gostiju ugostiteljskog objekta i olakšati njihovo djelovanje u tom sustavu.

#### INTRODUCTION

In the hospitality industry, which largely engages in preparing and providing accommodation services and food and beverage services, the word *production* is rarely used; the preferred term

#### *Abstract*

In the process' of preparation and giving services in hospitality, the guest is a middle man, because he in turn is the producer and consumer of the given service, and his behaviour and attitude are very sensitive. Services in hospitality in the sense of exchange of goods and services has market value for each good and service exchanged, that is, not only for the individual who is offering the service but to the consumer as well. Market value becomes realistic only when two objectives are met: the first has to do with the material goods and the staffing in a hospitality business, and the second is focused on the consumer that shows the needs and the will to buy these services/goods from the individual who is selling them. The most common elements are seen in the service system which are: three elements fall into the actual service building (internal organizational systems, material tools and the service staff), two elements are connected with the market (guest A and guest B), and two elements are the results between interactions of guest A and guest B with included elements of the service building, and the results are the service A and service B provided. Between these elements in the service systems follows a primary relationship, internal and same-time relationships. Looking at the systems generally, the explanation of services raises problems in effectiveness of these concepts in the sense of managerial decision making. The challenges of the individual who is giving a service is that the individual must seek new effective ways of giving a particular service, that is, management has the task of understanding that the service systems must always be in mind in order to create and maintain a service system that will fulfil the expectations of guests as well ease the guests in the actual system.

is *servicing*. The issue is about managing services. In the presence of guests as service consumers, serving system management involves sales-related activities, as well as concurrent production-related activities. Accordingly, the serving process should be viewed as a factory or a plant, with all the

implications for management that derive from this. The principles and techniques of production management are largely practiced in hospitality, keeping in mind that this is not an ordinary factory. Namely, in hospitality, guests participate in the production process, and are "managed". In addition, the output of this factory is not a tangible product. As with production, the selling of services is an area in which the specific features of services matter the most. Without going into detail, the guest can be underscored as having a central role in services. The guest is, at the same time, the maker and the consumer of services and his behaviour is highly volatile. This does not, however, mean that two types of marketing exist, one for products, the other for services. The concepts and techniques of decision-making are alike, differing only in segmentation criteria, and in the contents and use of marketing-mix variables.

Defining the term *service* is not easy. While many have tried, few have succeeded to any satisfactory extent. One thing is certain: as an object of exchange, a hotel service possesses market value, not only for the service provider but also for its consumer, the guest. This market value is attainable only under two conditions, the first pertaining to tangible resources and staff, and the second, to guests, expressing needs and wants that are satisfied through contact with the staff. In addition, in modern hospitality three vital trends must be taken into account that call for rethinking an enterprise's organisational culture /1/ :

- The first trend is the growing competitiveness of the environment in market areas and geographical areas.
- The second trend refers to growing demand on the part of guests.
- The third trend is the growth of sophisticated, diverse and powerful information technology.

The following section looks at the prerequisites needed for new products to be successful in hospitality. In particular, it carefully considers and analyses the elements of serving systems in hospitality (the hotel industry and the restaurant industry) and their mutual relationships.

## 2. SUCCESS FACTORS IN DEVELOPING NEW PRODUCTS IN HOSPITALITY

The impact of new social values is of crucial importance to hospitality employees, because different types of guests have different life styles and spend their leisure time in different ways. As hospitality employees encounter guests from around the world, attention should be focused on the principal changes affecting the home markets of these guests.

Today, hospitality is up against a kind of revolution of demands that seems endless. Tourists want to do and experience everything they can, making the pyramid of wants and needs continuously larger. This growth is not paralleled, however, by the willingness of tourist to pay an appropriate price for what they want. Hence, planning and successful performance in hospitality represent an attempt to strike a balance between:

1. the financial potential of service providers (supply) and
2. the wishes and financial potential of guests (demand).

Experience up to date demonstrates that many hospitality products have a short life cycle, primarily due to a failure to consider future trends in the planning phase. The success of a hospitality offering depends primarily on the reputation of a destination or hospitality facility. Generating an image and maintaining a constant level of quality are the results of appropriate planning that anticipates future trends in demand.

Notably, the life cycle of hospitality products is becoming increasingly shorter, having an adverse effect on the performance of a hospitality facility. That is why, prior to the product planning and defining phase, certain previously neglected principles must be adhered to. Increasingly in centre stage are preparations for ensuring project image and the quality such an image would imply. Under conditions of growing competition, questions arise: How can the development of new hospitality products be improved? Should an existing product be improved, or is an idea for a new service product needed? This is a process involving a combination of factors (Figure 1):

1. the inventiveness of managers (with modern managers becoming guides, coaches and advisors) /2/ and the service production staff,
2. teamwork within a hospitality facility, and
3. involving guests in new product development.

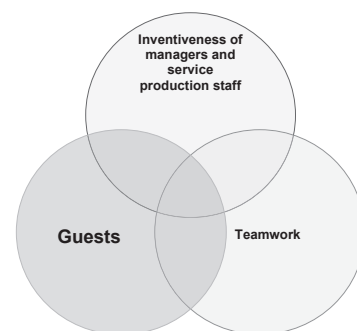


Figure 1: Factors in generating new ideas in providing hospitality services

The combination of these factors will have dual effects:

1. on the one hand, it will shorten development time, and
2. on the other, it will facilitate the flow of new, successful services that have a good outlook and are capable of surviving on the increasingly discerning market.

These activities require of hospitality managers an understanding not only of their market and their guests, but of themselves as well. Developing new hospitality products means being able to anticipate the wishes of guests and to develop specific offerings to satisfy these wishes. It also means respecting what is best in a hospitality facility, how it goes about designing and selling new services, and which paths these services must follow, as they go through the given infrastructure (staff, technology, equipment, organisational structure, etc.).

Contrary to conventional wisdom, most ideas for designing new services and products do not come out of marketing or sales departments, or from rivals or top-level managers, but rather from guests and the marketplace that are becoming ever more difficult to please.

The best properties and uses of hospitality products are created by crossing technology with the wants and needs of guests. Everyone should understand that there is no truth in the common belief that, somewhere out there, there is a guest who will want our service (or the overall product typical of a given hospitality facility) exactly the way it was designed. In addition, it is wrong to assume that guests are not interested in new technologies, which are taking hold in both tourism and hospitality.

Modern hospitality and tourism businesses often generate new ideas and incentives based on their own knowledge and experience, and they dedicate increasingly more attention, time and efforts to building regular and close contacts with guests. Teamwork, a means of accelerating the product development process, is another vital factor that gives a hospitality or tourism enterprise an advantage.

### 3. ELEMENTS OF A SERVING SYSTEM

The following serving-system elements can be detected in hospitality (Figure 2):

1. THE GUEST. This term requires no particular explanation. As mentioned earlier, the guest/consumer is involved in the 'production' of services. The guest is the fundamental element, whose presence is absolutely necessary, for without a guest there would be no service. If, for example, a hotel room

is not being used, a seat in a restaurant is empty, or a sauna in a wellness centre is not occupied, there is no service, only available accommodation and consumption capacities, that is, a potential for service provision.

2. EQUIPMENT AND FURNISHING. This element refers to tangible resources needed in the serving process, used by both the service staff and the guest, in most cases, concurrently. Tangible resources fall into two categories:

- a. equipment and appliances indispensable to providing a service, and
- b. the tangible environment in which the service is provided.

Indispensable resources include the facility, furniture, small inventory, and equipment and appliances used by the service staff and/or guests. By using these resources, the service provider and the service consumer make it possible for a service to be rendered. The tangible environment in which a service is used comprises everything surrounding the resources, such as space, buildings, etc. This is the tangible totality in which services are provided.

3. SERVICE STAFF. The service staff is made up of hospitality employees that come into direct contact with guests, such as reception clerks, restaurant servers, etc. Unlike guests and equipment, service staff is not necessarily required in every circumstance. Such cases, however, are still rather rare in the hospitality industry (for example, hotels without reception clerks). To achieve their goals, hospitality providers are becoming increasingly dependent upon human resources, as a result of today's rapid innovations and changes /3/.

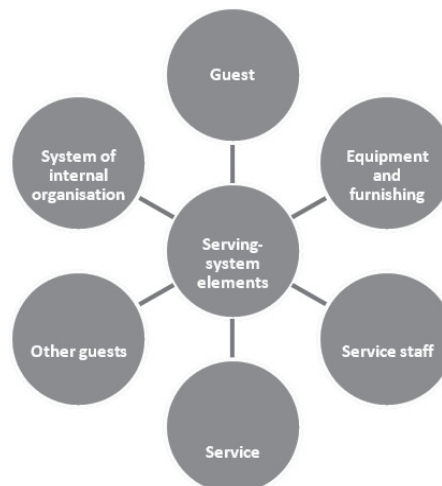


Figure 2: Elements of a serving system

4. SERVICES. Similar to products in a factory, services are the system's goal and its outcome. The best definition of services emerges from this fact: Services are the result of the interaction of three fundamental elements: guests, facilities and service staff /4/. This result should satisfy a guest's needs (for example, accommodation, food and beverage in a hotel).

To fully understand services provided in a hospitality and tourism facility, two more elements are required. They are:

- (a) the internal organisation of a hospitality facility, and
- (b) the other guests of a facility.

5. INTERNAL ORGANISATION. Tangible equipment and furnishing, together with the service staff, are parts of a hospitality facility visible to guests. These two elements depend upon a facility's internal organisation that pertains to:

- (a) the goals the facility seeks to accomplish,
- (b) the facility's accepted structure, and
- (c) the facility's managers responsible for planning, organising, leading and controlling, as well as for human resources management. Greger and Withiam /5/ argue that managers are in charge of creating an enterprise's vision, and what matters the most is creating, within the enterprise, a climate conducive to enhancing the work efficiency of all employees.

This part of a hospitality facility is invisible to guests. A facility's internal organisation consists of the usual business functions (pertaining to finances and accounting, marketing, service production, human resources, procurement, development, etc.), as well as specific process functions (primary and auxiliary) needed for providing services (accommodation, food and beverages, animation, recreation, sports, culture, etc.). The internal organisation of a facility has a direct effect on material resources and on service staff.

6. OTHER GUESTS. Services intended for a large number of guests will rarely be offered to only a single guest. Generally, a hospitality facility will have many guests at any one time. To simplify matters, two guests are considered, guest A and guest B, both staying at the same hotel at the same time. Clearly, if guest B wants to be provided with a service, he must have the same relationship that guest A has with material resources and service staff. Inevitably, guest A and guest B will strike a relationship, as they are physically present in the same room. This relationship may take on a variety

of forms, some of which may affect the quality of services provided to the other consumer, while others may affect the satisfaction of guests consuming these services.

It should be kept in mind that the quality of relationships between:

- (a) guests,
- (b) the service staff and guests, and
- (c) guests and material resources, constitutes what is called 'ambience', or environment, an element of crucial importance to any service.

Based on the above, it can be concluded that seven major elements make up the serving system in a hospitality facility. Three of these elements pertain to the hospitality facility itself:

1. internal organisation,
2. tangible equipment and furnishing, and
3. service staff; two elements pertain to the market:
  1. guest A, and
  2. guest B;

while two elements represent the results of the interactions of guest A and guest B with the elements of a hospitality facility, which are:

1. service A, and
2. service B.

Hospitality employees, wishing to build a relationship of trust with their guests, need to embrace the concept of the Learning Organisation. This is a strategy reflected in the following tactical tasks:

1. providing guests with information concerning services,
2. organising the overall service production process,
3. providing services, and
4. evaluating and monitoring service execution.

It is essential for the organisational culture of modern hospitality enterprises to be able to adjust rapidly to emerging changes in business, as this is the only way to survive in the marketplace. The most successful enterprises display an obvious shift towards adopting a project-based organisation, scaling down hierarchical tiers and management levels, and creating new forms of inter-organisational connections /6/.

The most important of all tactical tasks is evaluating and monitoring the execution of the service production process, a task that has become an agent of, and the basis for, the research and further development of business. To accomplish this, the entire staff must:

1. be skilled in, and empowered for, observing the overall process,
2. be in constant communication with their guests, and
3. be empowered to take action to immediately eliminate weaknesses.



Today, it is essential for staff to be empowered to take an analytical approach in evaluating the interactive relationship of the service provider and the guest. Usually, the only significant place, where information concerning guest satisfaction or dissatisfaction (typically on a one-to-one basis) can be obtained, is the front desk, which is far from satisfactory.

#### 4. INTERACTION OF SERVING ELEMENTS

The three most important relationships between the elements of a serving system are illustrated in Figure 3.

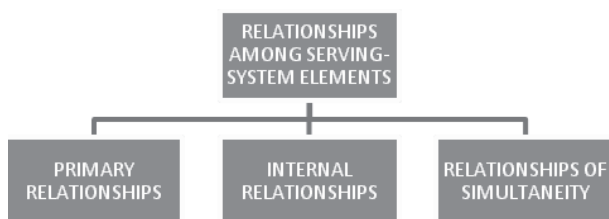


Figure 3. Relationships among serving-system elements

They are:

1. primary relationships within the system that relate to the interaction of the elements of a hospitality facility with the market (guests) and the outcome of interaction, which is a service;
2. internal relationships within a hospitality facility that relate to the interaction of the facility's elements, and bring together relationships that are both visible and visible to guests;
3. relationships of simultaneity that emerge when a hospitality facility is host to a number of guests at the same time. These relationships are created among guests and indicate the effects they have on a specific service.

Viewed generally, the delineation of a serving system draws attention to the efficiency of this concept in terms of managerial decision-making. The principal task of a service provider is to design a service. In doing so, a hospitality facility needs to focus on two issues:

1. It must understand that serving is a system (implying that it is both a general, as well as an integral concept).
2. It must always keep in mind that the purpose of a serving system is to meet the expectations of a hospitality facility's guests and to facilitate the actions of guests within the system.

Managers of hospitality facilities should always be aware of the difficulties involved in monitoring one of the system's elements, and that is the guest. This fact, however, should motivate managers

to show even greater responsibility in designing serving systems. The way in which the production of a material product is planned could prove inspirational to managers.

First, the desired outcome – the product and its properties, including economic components – must be accurately defined. In hospitality, this refers to defining a service and its features as part of the serving concept.

Second, similar to product planning, the individual characteristics of elements required in providing a service should be identified. This phase should decide the type of consumer (segment) a service targets, determine the structure of service staff (qualifications, sex, age, experience) and tangible resources (location of the facilities, equipment and furnishing, stock, etc.).

Last, as in any factory, a well-considered decision must be made concerning the nature and type of relationships that should be set up among the various system elements to ensure the desired outcome, that is, service. In designing services, nothing should be left unsettled or left to chance. Obviously, such a perspective requires a high level of specialisation, which is the only guarantee of genuine service quality.

#### 5. CONCLUSION

The language most people use when talking about services is often ambiguous, vague, and sometimes even inaccurate, indicating a lack of conceptual consistency among experts in this area. Importantly, a service enterprise needs to distinguish clearly between the terms *offering* and *offering resources*. Namely, an offering is the service a hospitality facility places on the market, while offering resources comprise the serving elements (tangible resources and service staff) the facility has under its control. Setting up an appropriate and effective serving system in a hospitality facility calls for specialisation. This means being capable of 'producing' and providing services according to the expectations and wishes of specific types of guests. Guest segmentation, a marketing credo, is a conclusion derived from the general rule of hospitality, "one service = one guest served". This conclusion is based on the premise that the same service cannot satisfy every guest, because the needs, wants and expectations of guests differ greatly. In addition, the need for guest segmentation derives from the essence of serving, as it is a fact that a great number of consumers appear simultaneously in most services that target the public. One of the first decisions responsible managers need to make is identifying the capacity of a serving system. This

is a strategic decision as it determines the amount of investment needed, while the rate of return, gained from competing on the market, measures investment performance. Prior to defining the concept and programme of providing services in hospitality, it is necessary to establish relationships among all the elements of the serving system. The most difficult task of managers is identifying the service staff required. This involves making decisions regarding employees who will be directly engaged in serving guests in a hospitality facility. The number of employees, their qualifications, jobs and tasks, uniforms and other characteristics will depend primarily on what managers expect from the staff, that is, what type of service they wish to provide to guests and within which type of serving system. In other words, these are decisions that

do not pertain only to the service staff, but also to the relationship that the service staff will establish with the system's other elements (guests, service, resources, equipment, etc.). The point is to establish the most appropriate comportment of the service staff in their contacts with guests, and to determine what needs to be done and how it should be done to ensure a favourable effect on the service consumer.

Service staff is an element of the serving system that holds a key position from a marketing perspective, because, in the eyes of service consumers, the service staff personifies a hospitality facility. A hospitality enterprise, together with the hospitality facility it comprises, is something abstract, as are services to a certain extent. The only tangible relationships that a guest experiences are those with material resources and, above all, with service staff.

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