



## IMPLEMENTATION OF ISO MANAGING SYSTEM STANDARDS IN THE CROATIAN HOTELS

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**Abstract:** *The researches throughout the world have confirmed the increase of the ISO managing system standards implementation within the hotel industry. The aim of the research required for this paper was to investigate the implementation of ISO managing system standards in the Croatian hotels, as well as to test the interdependence among the implementation of the above stated system, specific qualities of the hotels (the size and the hotel class) and the hotel managers' educational levels. The empirical research has been done using the polling method in the hotels in the Republic of Croatia on a sample of 350 hotels chosen randomly. Based on the research results, it is concluded that the implementation of ISO managing system standard in the Croatian hotels is less than 20%. The research has also proven the existence of the interdependence between the implementation of ISO managing system standards and the hotel managers' educational levels.*

**Key words:** *Managing Systems, ISO Standards, implementation, hotels, Croatia*

### 1. INTRODUCTION

Hotel companies must focus on the performance improvement through a better quality service and differentiation considering the fact that the tourist demand does not primarily depend on the hotel product price. Tourist offer quality becomes a major factor of the competitive advantage and hotel company performance (Ingram, H., & Daskalakis, G, 1999; Costa, J., 2004). Researches show the correlation between the service quality and clients' loyalty. Good quality of a product will interest clients, thus providing service marketing. Quality product will also influence the clients' satisfaction with the offer and build a loyal relationship among clients. Clients will perceive company that fullfills four basic tasks as a company that offers quality service (Ozretić Došen, Đ., 2002). In the Republic of Croatia we are faced with the fact that the quality has not been considered as an important factor in the hotel company business operations for decades. The basic aim of this paper is to point out the state of ISO managing systems standards implementation in the Republic of Croatia.

### 2. QUALITY AND INTERNATIONAL ISO STANDARDS

In regard of the globalization trend in tourism, tourist companies and hotels are becoming more and more international destinations which results the growth of the international competition. Therefore, hotel companies must focus on the improvement of their performance through a better service quality and differentiation (Claver; Tari & Pereira, 2006). Quality in hotel business implies the concentrating on tourists and guests which demands for the fulfilment of all their wishes and expectations. In regard to a fast growing competition in the hotel business there is a need to constantly improve hotel products quality as a competition maintaining factor which is a complete quality management development

initiator (Nykiel, 2005) The most developed tourist countries, known by an excellent tourist product quality, devote particular attention to the standards and quality. International Organization for Standardization, as an alliance of national organizations for standard and standardization, has a mission to prepare, accept and publish world standards. ISO standard is an official document with a name and structure strictly according to laws (\*\*\*, 2010.). The implementation of quality management system according to ISO 9001 standard, environmental management system according to ISO 14001 standard and food safety management system according to ISO 22000 standard has a huge importance in the hotel business. Some other systems, such as occupational health and safety management system according to OHSAS 18001 and information security management system according to ISO 27001 have been lately implemented. It can be stated that the number of issued quality certificates is an indicator for quality or trends in quality in a certain state or region. (Dumičić; Knežo & Melvan, 2007) Considering many advantages that surpass ISO standard faults, the researches throughout the world show the increase of the issued ISO standard certificates. (Franceschini; Galetto & Gianni, 2004)

### 3. EMPIRICAL RESEARCH REFERS TO IMPLEMENTATION OF ISO MANAGING SYSTEM STANDARDS IN THE CROATIAN HOTELS

#### 3.1 Research methodology

For the purpose of this research sampling unit, as an elementary unit for the sample, is defined as a hotel company. Final set of units is consisted of target population, or in other words the basic set which is to be examined is a set of small, medium-sized and large hotel companies registered in the Republic of Croatia. For the selection procedure, the Internet data have been gathered. For the purpose of research, sampling method has been used. Random number generator has been used for choosing sampling units. Reporting units were hotel managers for the purpose of this research. The research included 650 hotels throughout the Republic of Croatia counties. Research sample consisted of 350 companies. Data gathering was conducted by polling method through post. Total of 65 companies replied which was accepted as satisfying for the purpose of the research.

#### 3.2 Basic research results

The majority or 43,3% of the hotels that have implemented the ISO managing systems is in the Dubrovnik-Neretva County, while 25% of the hotels with the ISO managing systems is located in Istria County and Primorje-Gorski kotar County. 6 % of the hotels with ISO managing systems is in Bjelovar-Bilogora County, as well as in Zadar County. The research conducted in 2003 (Dumičić, 2004) shows that only two out of 36 hotels had an ISO certificate, and 5 of them were in the process of consulting in order to receive the ISO systems. With

regard to this it can be said that there is a growing trend of implementing ISO managing systems in the hotels in the Republic of Croatia. Using the interval expression of the universe ratio evaluation (Žugaj; Dumičić & Dušak, 2006)

$$\Pr(\hat{p} - z_{y/2} \delta \hat{p} \leq p \leq \hat{p} + z_{y/2} \delta \hat{p}) = (1-y) \quad (1)$$

by evaluating universe ratio evaluation  $p$  with  $\alpha = 0,05$  based on the results

$$0,15 + 1,96 \sqrt{0,001992} \sqrt{0,904335} = 0,268409$$

$$0,15 - 1,96 \sqrt{0,001992} \sqrt{0,904335} = 0,0315$$

It can be stated with 95% of certainty that the hotel ratio in the Republic of Croatia that have implemented the ISO managing systems is higher than 0,0315 and lower than 0,26849. Based on the research results it can be assumed that the ratio of the hotels with the implemented ISO managing systems in the Republic of Croatia is less than 20%, thus an operating hypothesis is set as:

$$H_0 \dots p > 20\%$$

$$H_1 \dots p \leq 20\%$$

Based on the calculated standard error  $\delta \hat{p} = 0,028318$  and a conducted lower confidence limit test (calculated value of the lower confidence limit of the interval being 0,15328) on the level of 5% of the significance, a nul-hypothesis is dismissed and an alternative hypothesis is accepted. Data on the educational qualifications of the managers in the hotels with implemented ISO managing systems show that 50% of them have a university diploma, 20% of them have an M.Sc. or a Ph.D. diploma, while 30% of the managers have a secondary school qualifications. Interviewees in the hotels that have not implemented ISO managing systems do not have M.Sc. or Ph.D diploma. The greatest share or 44% of them have a two-year post-secondary school diploma, 6% of the interviewees have a university diploma and 20% have a secondary school diploma. Taking into account that an empirical value is  $\chi^2 = 14,61874$ , and the table value is  $\chi^2 = 12,5916$ , with 95% of certainty, conducted chi-square test shows that there is a relation between the educational status of the managers and the implementation of ISO managing systems. In the Republic of Croatia 60% of the hotels with ISO certificates are privately owned. On the other hand there are many privately owned hotels, or 79,5% of them, that have not implemented the stated systems. Taking into account that an empirical value is  $\chi^2 = 3,7962$ , and the table value is  $\chi^2 = 9,48773$ , with  $\alpha = 0,05$ , conducted chi-square test of statistical independence shows that there is no relation between the type of ownership and implementation of ISO managing systems in the Republic of Croatia. Majority of the accomodation capacities in Croatia that have implemented ISO managing systems, or 40% of them, are four star hotels, while three and five star hotels are equally represented with approximately 20%. Among the hotels that have implemented ISO managing systems in Croatia there are 10% of the two star hotels. There are approximately 60% of the high category hotels in Croatia that have implemented the standards. The greatest number of the hotels without ISO managing systems are three star hotels, which is not surprising when we relate this to the category structure of the hotel objects in the Republic of Croatia. Also, about 25% of the high category hotels have not yet implemented ISO managing systems. Hotels that have implemented ISO standards, or 60% of them, mostly have 51 to 200 rooms, 30% of them have 201 or more rooms while 10% of them are small hotels with 5 to 50 rooms. The greatest number of the hotels that have not implemented ISO managing systems are hotels with 5 to 50 rooms, or 50% of them, while other 50%

consists of middle size and big hotels. Taking into account that an empirical value is  $\chi^2 = 6,79228$ , and the table value is  $\chi^2 = 9,48773$ , with 95% of the certainty, conducted chi-square test show that there is no relation between the size of the hotel company in the Republic of Croatia and the implementation of ISO managing systems. According to the research results of the hotel companies in Croatia conducted in 2003 (Dumičić, 2004) it is proved that there is a relation between the implementation of the ISO managing systems and the hotel company size. Based on this it can be concluded that the state of the implementation of ISO managing systems has considerably been improved and that the systems have also started to be implemented in small, middle-sized and big hotels.

#### 4. CONCLUSION

Considering the fact that the ISO Managing Systems implementation is under 20%, it is necessary to improve the level of education of the hotel managers in order to raise consciousness of the importance of the stated systems. It is necessary to stimulate the implementation of ISO managing systems, especially in the three star hotels. Raising the managers' level of education is also required as the research showed that there is a relation between the implementation of ISO managing systems and hotel managers' educational levels.

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