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Self assessment as a gate to performance improvement:

A study on hospitality management in Turkey

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Abstract

In order to improve Turkey's market share in world tourism, organizations of the sector should develop means for the supplied quality and competitiveness. This study surveyed four-star city hotels in Istanbul and found areas of improvement. The survey tool is based on a widely recognized self assessment form, i.e., the European Foundation for Quality Management (EFQM) Excellence Model and applied to eight hotels as a multiple-case studies design. In general, findings demonstrate that, while hotels are managing customer related processes properly, there appears a big gap between the current approaches and the Model's leadership, strategy, and people criteria.

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1. Introduction

The number of foreign tourist arrivals to Turkey has tripled over the past decade and reached almost twenty nine millions in 2010. One fourth of the visitors came to Istanbul, making it one of the top ten mostly visited cities in the world. As a consequence of increasing demand for hospitality services, new issues on competition, resources, and quality, along with many others, arise to be dealt with by management.

In response to new challenges in tourism, Turkish Ministry of Culture and Tourism prepared Turkey's Tourism Strategy-2023 [1]. Among the action plans stated in the agenda, a special section appears about the service quality in tourism. The objective in regard to service issues is clearly defined as making total quality management effective in all components of the tourism industry. Besides, it is also suggested to agree on common methods and measures to evaluate the service quality in highly concentrated touristy areas. Therefore, the importance of service quality measurement in tourism industry and especially in one of its leading segments, hospitality management, is highly visible for the near future.

A service is an intangible utility and it is consumed simultaneously as it is produced. Thus, obtaining a high service quality and maintaining it require specific attention. As hotels provide accommodation services, assuring a quality standard is a demanding task for managers.

Self assessment is a concept of total quality approach, which enables management an overall evaluation of operations. It differs from the conventional quality assurance methods [2] by providing options for managers on overall review of the business, continuous improvement, and benchmarking. Self assessment is also used as a non-financial criterion for the organizational performance evaluation, which has become popular with contemporary management implications. The most recognized organizational quality awards in the world, such as Malcolm Baldrige National Quality Award, EFQM Excellence Award, and Deming Prize employ self assessment tools as scales for appreciation [3][4][5]. Quality Association of Turkey (KALDER) also follows the principles of Europe's EFQM Excellence Model [6].

The focus of this research is the four-star city hotels in Istanbul. The report evaluates organizations with an aim to define managerial gaps in respect to the EFQM Excellence Model. It starts by explaining the basic concepts. After citing the prior works on the subject, it presents research findings and concludes with possible managerial implications. The study is expected to shed light on improvement efforts for service quality and competitiveness in tourism industry. This paper has an original value in terms of applying a self assessment tool in Turkish hospitality management.

2. Concepts and relevant literature

As it is looked into the progress of quality concept in history, craftsmen checking their works and fixing the defects would show up as initial examples. Following the Industrial Revolution around eighteenth century and the resulting factory system, the job became a profession. This first stage of quality reflects the inspection phase. In 1920s, controls expanded through processes and inputs, and productions started to become standardized. This phase is named as statistical quality control era. In 1960s, after the Second World War, statistical methods were improved and the integration of production with quality notion is acknowledged. This stage would be referred as the quality assurance phase. At that time, Japan was having a tough period, trying to recover from the war's destruction. Aiming to revitalize the country's industry, the Japanese defined the quality in a new way (a promise to the customer) and they realized that all components of the organization, including workers, should be engaged to this process. In 1980s, Japanese production system was such successful that it became a model for high quality around the world. Then, this last stage defined the total quality approach [7].

As a matter of fact, many valuable authors and experts, such as W. E. Deming, J. M. Juran, A. V. Feigenbaum, K. Ishikawa, P. B. Crosby, D. Garvin, and so on contributed to the evolution of quality concept. Today, total quality approach suggests that modern management should arrange the

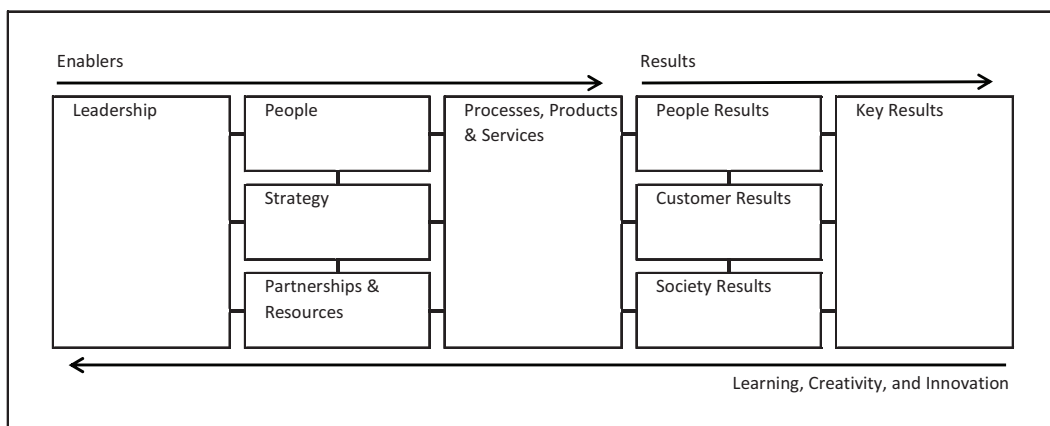
organization's activities to meet the expectations of its stakeholders. The fundamental means to this end are involving internal and external customers, along with the management and staff, in the process of achieving targets and continuous improvement.

2.1. Self assessment and the EFQM Excellence Model

At the end of 1980s, while total quality philosophy was spreading around the world, the self assessment concept gained international recognition by the establishment of Malcolm Baldrige National Quality award in the United States [8]. The method proposes an identification of organization's strengths and weaknesses as a part of its total quality applications [9]. Surpassing operation and process focused approaches, self assessment is said to leverage an organization's overall performance, as well as its continuous improvement and benchmarking activities [10].

In 1992, European Foundation for Quality Management (EFQM) founded a quality award based on self assessment as well. The basic notion behind was that results were driven by the processes and the system as a whole [11]. Here, the system refers to the organization's strategy, leadership, people, efficient use of resources, clear definition of its processes and results [12]. The Foundation reports that more than thirty thousand organizations employ the EFQM Model for organizational quality and performance assessment today [13].

Exhibit 1. The EFQM framework



Source: www.efqm.org

Exhibit 1 demonstrates five input criteria cause four result criteria of the model. This assessment framework aims to furnish a holistic overview of the organization. Through perfectly defined processes, goods, and services; excellent leadership, people, strategy, partnerships and use of resources are said to yield excellent organizational results. The model's feedback would be organizational learning, creativity, and innovation.

Despite usefulness of the self assessment concept and wide recognition of quality awards, there is a debate over the assumption which claims they prove organizational success. The authors who have contributed to the progress and expansion of the EFQM Model now doubt its practical benefits. For example, Wilford [14], Oakland and Tanner [15], Corredor and Goni [16] investigated the relationship between quality awards and organizational performance and argued there is not so significant causality as presumed. On the other hand, Williams et al. [17] underlined that quality awards may most likely benefit

the organizations which would take initial steps toward total quality management or those which are in developing countries with limited resources.

Relevant to this study's subject, there are not so extensive examples in literature. Camison [18], Soriano [19], Go and Govers [20], Woods and Deegan [21] used the EFQM Model in their empirical researches on hospitality management. In their conclusions, they reported increased awareness on the organizations' quality levels and areas of improvement.

Several works on total quality management in Turkish tourism industry can also be found [22] [23] [24] however, any research on hotels through the EFQM framework is not detected to date.

3. Research methodology and findings

This research seeks an answer to the question of "What are the areas of improvement in four-star city hotels in Istanbul according to the input criteria of the EFQM Excellence Model?" The reason of this kind of exploration has three main assumptions: i) Istanbul represents an important spot in world tourism industry as being one of the mostly visited cities in globe, ii) four-star hotels are not in the top segment of accommodation services but they would have intention and resources for betterment, iii) the EFQM Excellence Model can be used to gain a decent evaluation of any organization regardless of size, sector or maturity.

The design of the research is multiple-case studies. Therefore, structured and separate face-to-face interviews were organized with the managers of four-star hotels in Istanbul. According to the data from the Turkish Ministry of Culture and Tourism, the number of licensed four-star hotels was seventy-six at the time this research was conducted. With support from a local travel agent, the convenient eight of those were surveyed in the months of October and November, 2010. Hence, the findings do not vouch for external validity. Nevertheless, their potential of generalizability should not be underestimated due to the exploratory function of in-depth interviews with the tourism sector professionals.

The survey tool was a twenty-item question form named "Quick Check 2010 v0.2" which was available in European Foundation for Quality Management (EFQM)'s web site as of 23.09.2010. The construct is assumed valid in respect to EFQM's efforts and experiences on the Model for almost twenty years.

The questionnaire evaluates the organization in three dimensions. First, it asks qualitative descriptions of hotel's managerial applications relevant to the measures. Then, the maturity and the perceived strategic importance of the measures are rated on a five-point-scale. This tool happens to be a compact version of "EFQM Questionnaire 2010" which has ninety items for more detailed assessments. Due to time constraints of the research and respondents, this brief tool was deployed.

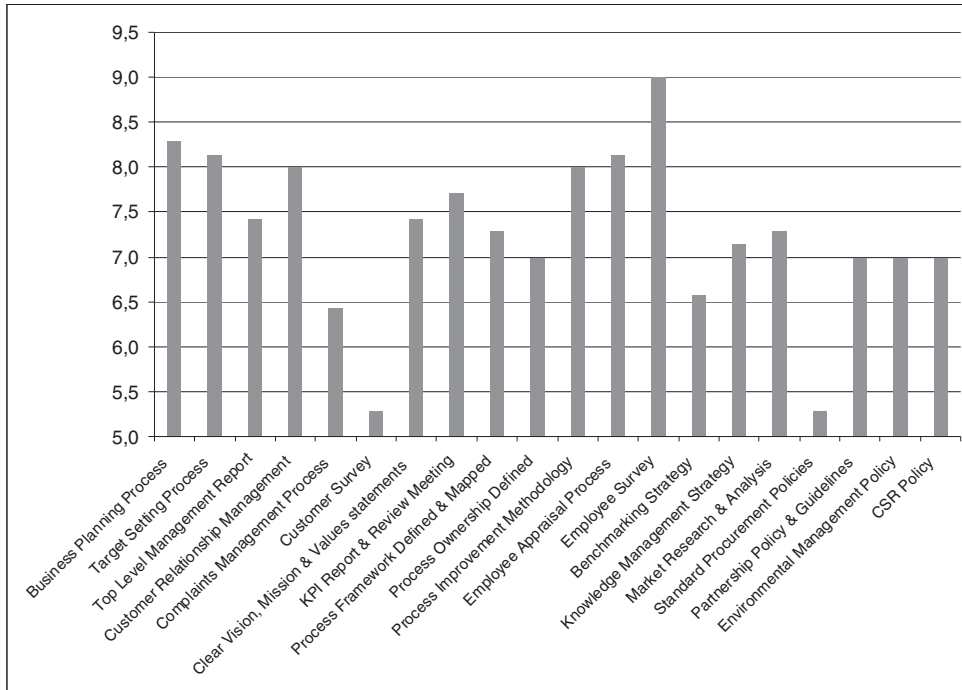
3.1. Scoring

Managers' ratings on the status of the hotels' service applications (5: Nothing in place, 4: Developing approach, 3: Deploying approach 2: Reviewing effectiveness of approach, 1: Mature approach in place) are compared to their perceived strategic importance on the same measures (1: Very low, 2: Low, 3: Medium, 4: High, 5: Critical). Then, these ratings are summed up to calculate each measure's loading (Status + Importance = Loading). Scoring of the particular service's maturity and importance is transposed, so that highly loaded measure would sign a gap between its level of application and perceived importance. For example, if a manager rates the status of "employee survey" measure as 5 (nothing in place) and its importance as 5 (critical), then this measure's loading would be 10, representing a necessity for improvement. If a measure's perceived strategic importance is high, whereas there is no or low relevant service in place, this would harm the input of the system and cause poor performance results.

According to the EFQM Excellence Model, measure loadings of 8 and above are assumed as significant areas that require improvement.

Exhibit 2 demonstrates the average measure loadings of the sample, pointing out that “business planning process”, “target setting process”, “customer relationship management”, “process improvement methodology”, “employee appraisal process”, and “employee survey” measures have loadings of 8 and above.

Exhibit 2. Measure loadings



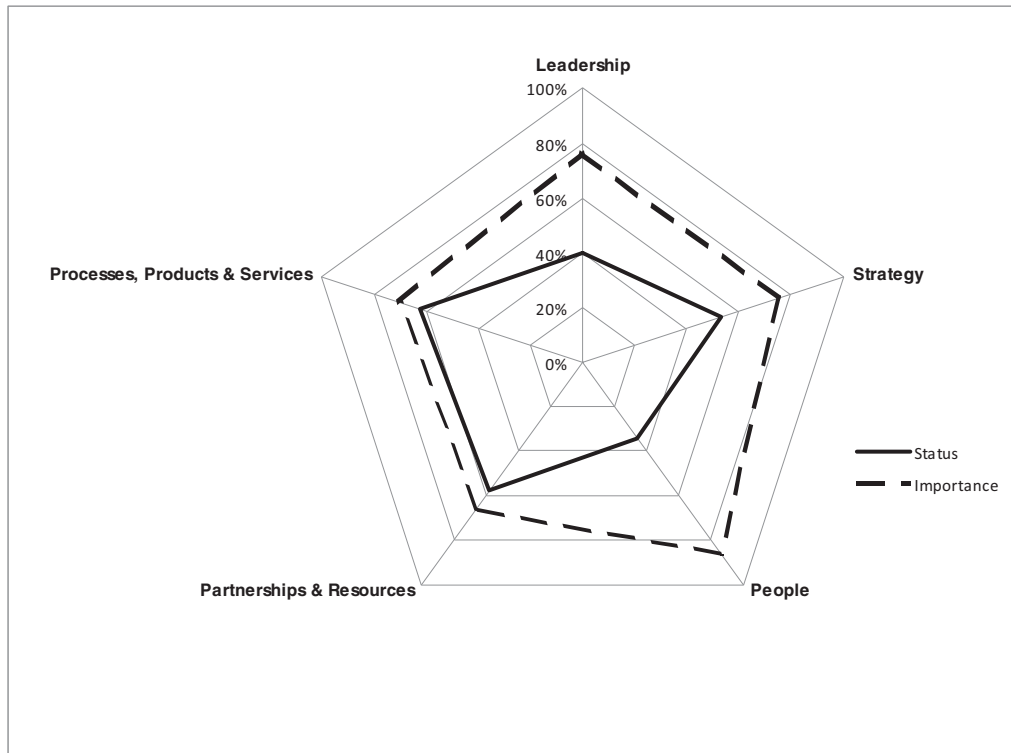
In the following, twenty measures in the questionnaire are categorized according to five input criteria of the model as shown in Table 1.

Table 1. Classification of measures

Leadership	People	Processes, Products & Services
Clear Vision, Mission & Values Statements KPI Report & Review Meeting	Employee Appraisal Process	Customer Relationship Management
	Employee Survey	Complaints Management Process
	Strategy	Customer Survey
	Business Planning Process	Process Framework Defined & Mapped
	Target Setting Process	Process Ownership Defined
	Top Level Management Report	Process Improvement Methodology
	Benchmarking Strategy	Knowledge Management
	Market Research & Analysis	
	Partnerships & Resources	
	Standard Procurement Policies	
Partnership Policy & Guidelines		
Environmental Management Policy		
Corporate Social Responsibility Policy		

Then, the ratios of average and ideal scores and are compiled and compared as in Exhibit 3. It demonstrates significant managerial gaps on leadership, strategy, and people criteria.

Exhibit 3. Comparison of service status and perceived importance



4. Conclusions

International movement of people, whether on business or recreational purposes are increasing due to advancing communication and transportation services. This situation creates an opportunity to reach all people of the world by marketing accommodation services even for small enterprises. However, it also expands competition for the same terms. Therefore, Turkish hospitality industry has to create more value and focus on price, quality, and performance issues in order to improve its competitiveness.

Popular areas such as Istanbul have been attracting a growing demand for tourist services especially since the last decade. This trend seems to lead new investments and undertakings coming into market and increase the competitive environment. Thus, current service providers have to prepare themselves for the tougher competition in near future.

Toward an aim to improve organizational quality and performance, a widely accepted self assessment framework, the EFQM Excellence Model is used as a leverage of this research. The basic notion of the concept is excellent results can be achieved through excellent inputs and processes. Despite debates over the Model's ability to bring proven success, the benefits of self assessment is recognized for organizations

which are newly initiating a quality movement. In this regard, four-star city hotels in Istanbul seem to be an appropriate field for this research.

The findings of the research detected several areas of improvement. Sample hotels especially lagged behind the leadership, strategy, and people criteria of the EFQM Model. As a possible managerial implication of this study, it can be argued that the organizations which improve themselves in aforementioned dimensions would gain competitive advantage.

The most significant issue appears as the evaluation and education need of the staff at hotels. Hospitality is a service industry and proper investment in people likely to create a performance leap. This interpretation is also supported by previous studies [24] [25] [26] [27].

Defining a clear strategy to address targets and processes has a positive effect on organizational performance. A few differentiations in services are also beneficial for competing against hotels within the same segment. Whether creating more value for customers or promoting socially responsible events, a differentiating strategy brings competitive advantage [28].

A special interview was conducted with a hotel in boutique class (small luxury hotel). It had the highest ratings in all measures. Its scores are excluded in the analysis but the hotel represents the achievability of high quality standards with similar physical conditions and environment.

Due to time constraint of the research and respondents, a brief version of the EFQM Questionnaire was used to operationalize the assessment. Moreover, only input criteria of the framework are studied because collecting and proving data on organizational results would have been burdensome.

The multiple-case studies design of the research does not claim the generalization of the results. However, face-to-face interviews with tourism sector managers offer a respectable exploration of the study area and reliability of the findings.

This first study, detected up to date, based on a self assessment tool in order to define organizational improvement needs in hospitality management will shed light on future research in the field. In particular, a prospective longitudinal study will be quite appropriate to test the framework. The results of a comparison between two groups of hotels (one is making suggested improvements and the other is not) in a time frame would contribute to the model in empirical wise as well.

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