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NOVEMBER 1984
Determination and control of quality in hospitality services

A thesis submitted by
Michael A Nightingale

in fulfillment of the requirements for the award of the degree of Master of Philosophy in the Department of Hotel, Catering and Tourism Management, University of Surrey, 1983.
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SYNOPSIS

The thesis consists of nine chapters in which the background to the study, the disciplines from which the hypothesis developed, the design and testing of the hypothesis and the conclusions are described. The aim was to contribute to the development of concepts which will assist in the maintenance of the quality of hospitality services.

The first chapter summarises the background, objectives and methodology of the study. Chapters 2, 3 and 4 examine the nature of service, the nature of quality and the nature of services provided by the hospitality industry and ways of determining the key dimensions of quality for the different market segments of the industry.

The research then examines factors that influence the achievement of service quality. Chapters 5 and 6 include an examination of organisation theory and management functions closely concerned with quality. From this a number of variables are identified, which have a significant impact on the quality of services.

Chapter 7 describes how the following hypothesis evolved.

"That quality of hotel and catering services are most effectively maintained, when both those responsible for policy making and implementation of such services are able to perceive the key dimensions used by the customers themselves in their evaluation of the services and when those implementing have the mechanisms for taking action to ensure that realistic standards are met".

The chapter also explains why the techniques of repertory grid and quality circles were adopted to test the hypothesis. Chapter 8 sets out the findings of the test and indicates a number of ways of improving the approaches used. Chapter 9 draws conclusions on the hypothesis, sets out a model for use in designing quality assurance programmes and identifies areas where further research is required.
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CHAPTER I  INTRODUCTION

1.1 BACKGROUND

This thesis is based on five years work aimed at trying to establish mechanisms for determining, in the hotel and catering industry, quality standards for customers, how these can be translated into operational standards and be subsequently maintained. The work has involved a mix of theoretical study conducted on a part-time basis, practical application in a range of consultancy assignments and finally the development of an overall approach designed to test the hypothesis that evolved during the research.

The reason for beginning to conduct research in this area was that, at the time a topic had to be selected for investigation whilst following a Sloan Fellowship, it occurred to the researcher that the reason why the quality of service is often poor is that many service operations have an inappropriate organisation structure. As a result a project entitled 'The relationship between the structural design of organisations and the maintenance of consumer standards in a multi-unit restaurant chain' (1) was conducted in part fulfillment of the requirements for the award of a Sloan Fellowship.

Although the study provided some insight into the nature of organisation structure in a restaurant chain, the outcome was inconclusive, as it appeared that a number of other factors also have an influence on the maintenance of consumer standards.

Whilst this project was being conducted Teare (2) was carrying out, on behalf of the Hotel and Catering Industry Training Board (HCITB), what proved to be a closely related
study into the way the hotel manager controls the training function. He concluded:

"a) the notion of standards exists in an hotel;

b) Standards are not declared in a quantative or qualitative form which is capable of being communicated through the levels of staff in a hotel coherently;

c) The understanding of standards is different at each level interviewed;

d) That insufficient emphasis has been placed by hotel companies in defining with the hotel manager the constraints and discretion available in the operation of his unit;

e) That insufficient attention has been afforded to consumer associations, motoring organisations and other similar bodies where standards are being considered."

Personnel and training specialists who served on the Hotel Sector Training Group of the HCITB, were at about the same time expressing disappointment with the degree of impact a considerable training effort have had on operational standards in a number of companies. They asked the HCITB to initiate a study in ten major hotel groups to help companies make their training more effective, by giving them guidance on the roles of operations and training management in the quality control of hotel services.

The researcher was invited to conduct this study as a result of the interest shown in the project completed during the Sloan Programme. The report (3) prepared for the HCITB with the support of the Hotel Sector Training Group:

a) recommended a broad classification of standards;

b) identified the common features of units which maintain consistent standards;
c) identified the importance of recognising the role of employees and work climate;

d) made recommendations on the action to be taken by operational management and those concerned with training and education.

Following this a number of training workshops were run by the researcher for those responsible for personnel and training in industry. At these workshops it became apparent that although useful insights had been gained, particularly in the wide gap between customers' and personnel's perceptions of standards, that much more needed to be done to develop practical applications of the concepts that had evolved. Further to find ways of gaining the interest and commitment of operational personnel.

Since then companies have continued to develop their own approaches to standards, some with assistance from the HCITB and other outside agencies. The HCITB has, as well as assisting individual companies, developed a slide/tape presentation entitled 'Everybody has standards'.

Having completed the HCITB study the researcher registered for an M Phil at the University of Surrey and continued conducting assignments in industry, and running workshops in the quality field.

1.2 REASONS FOR STUDY

The background already described is one indicator of the growing interest in quality standards. It also became apparent from discussion with senior management during these earlier studies that they recognise the traditional mechanisms for maintaining standards are no longer appropriate but that the alternatives tried have not been particularly successful.
Another indicator was the growing number of articles (4) that appeared in the trade press at the time the study was proposed and which have continued. One of the articles provides some useful insight into the problems involved and the need for clearer understanding within the industry.

"I think the industry is often too critical of itself or at least wrongly critical about its relations with guests because it judges itself by the wrong standards. This might be overcome if more managers could think through clearly exactly what it is that their own guests expect - not in terms of how a product or service is provided but in terms of what the end product is (such as a hot drink at night). Often it is only the ways and means which need altering. And those who are already doing this and trying to meet guests' expectations realistically within today's constraints should not be criticised by others for so-called 'lowering of standards' for it does not always appear that way to guests." (5)

It also pointed out:

"Words like 'high standards, good service and fair value for money' mean totally different things to different people and are therefore meaningless until they are defined in clear, precise terms. Yet expensive hotel investments and crucial marketing decisions are based on these nebulous phrases" (6).

In a wider context there has been an increasing interest world-wide in the need to improve the quality of goods and services. This is illustrated by the growing number of articles in the national and international press on quality as exemplified by a recent series in the Financial Times (7). An interesting theme in many of the articles has been the continued reference to the quality techniques used by Japanese industry. Another indicator of growing interest was that 'Quality is Free' by Crosby (8) became a 'best seller' in America.

Publications and press publicity concerned specifically with the quality of hotel and catering services appear overall to give a negative impression on the quality of these services. The industry's organisations tend to
react defensively to such critical comment. It is
difficult to find empirical evidence on the quality of
service and of any trends.

Dean (9) argues that as in the United Kingdom people eat
out on fewer occasions and stay less frequently in hotels
that the cause of this is declining standards, although
no evidence is given to support this.

Farrell (10) in a fairly extensive piece of research of
food service outlets in hotels in the States does provide
evidence that in the hotels researched the level of
satisfaction was lower than would be generally expected by
the industry. He summarised his findings as follows:

"First, very few customers are satisfied, except for
those who eat in coffee shops. For all types, 88% are not satisfied; for dining rooms, 94%; for
restaurants, 98%. Of coffee shop customers 20% were unsatisfied or dissatisfied, but 30% were
satisfied and the 50% who were indifferent were satisfied to be so."

How representative these findings are is now known, but it
does point to the need for more empirical evidence on the
present levels of satisfaction.

Two conferences (11) organised by tourism organisations
were an indicator of a growing interest in the quality of
service in the tourism field.

In the earlier studies already referred to it became
apparent in studying the literature that there appeared to
be an absence of detailed work on quality in the hotel and
catering industry. This lack of information appeared to
be underlined by the fact that in the HCIMA 'Tomorrows
managers' study (12), managers ranked quality control
fourth most important out of 61 subjects about which
practising managers wanted to know more. In a more
limited survey of former HND students in hotel and catering
subjects at Ulster Polytechnic, Fawcett (13) identified
that quality control out of sixteen topics was highest in terms of use by the former students in industry, and the need for more knowledge. In an update of the HCIMA Corpus of Knowledge (14) in December 1980 setting out the knowledge required by practitioners in hotel, catering and institutional services, productivity and quality control were two of less than ten topics which were added to the corpus of professional knowledge. The need for this was determined as a result of a response from recently qualified practitioners and a literature survey.

Another indicator was that in 1977 as a result of public disquiet with Motorway Service Areas and the difficulties in getting tenders for new MSA's the Secretaries of State for Transport and Prices and Consumer Protection appointed a committee with the following terms of reference:

"consider and report on how far the present facilities available at motorway service areas meet the needs of motorway users, having particular regard to price, quality, variety, and effective competition; and on what further provision should be made for the convenience of travellers, bearing in mind road safety and any other relevant matters".

The establishment of such a committee served to underline the need for greater insight into the nature and maintenance of quality in service industries. The report (15) published by the committee illustrated some of the different perceptions of quality between the consumers and the professional concerned with providing the services.

Another reason for the research was the development and growing size of the service sector.

Bell (16) suggests the word 'services' disguises different things, and that in the transformation to post-industrial society there are several different stages in its growth:
"First, in the very development of industry there is a necessary expansion of transportation and of public utilities as auxiliary services for the movement of goods and the increasing use of energy .... Second, in the mass consumption of distribution (wholesale and retail) and finance, real estate and insurance .... A third sector, that of personal service, begins to grow - restaurants, hotels, auto services, travel, entertainment, sports .... Finally the claims for more services and the inadequacy of the market in meeting people's needs for a decent environment as well as for better health and education lead to the growth of government particularly at the state and local level, where such needs have to be met".

Previous studies suggested that many assume that techniques developed for maintaining quality control in manufacturing industries are transferable to all of the service activities described above as its growth and significance is recognised.

Sabolo (17) however suggests that the concept of production and its measurement are ill suited to the tertiary (service) sector as non-quantifiable elements play an important role. For this reason he suggests:

"It would be desirable to undertake both theoretical and empirical research with a view to introducing the concept of quality and the measurement of quality into studies of production of services. This would make it possible to throw new light on the problem of substitution among factors of production - labour, capital, management, consumer."

The reasons for conducting the research can be summarised as follows:

the growth in interest in quality;
the growth in the significance of the service sector;
the impression that quality standards in the industry are poor;
the dearth of information about the nature of service quality and how it can be maintained.
1.3 METHODOLOGY

1.3.1 Introduction

At the beginning of the research the following tentative approach was agreed between supervisor and researcher:

review of literature in related fields in combination with previous work conducted;
agreement of outline and programme;
development of hypothesis;
design of questionnaire or design of mechanisms;
conduct of survey or conduct of comparative action research;
formulation and preparation of draft thesis.

The broad concept of this approach was maintained during the research although there was much more overlap between some of the stages than was originally envisaged. A brief description of each stage follows:

1.3.2 Review of literature and previous work

The review in related fields in combination with previous work conducted was expected at the onset to be completed before the other stages were started and to involve approximately one sixth of the time devoted to the study.

In fact this stage has extended over the whole research programme as the complexity of the research project became clear and as new insights focussed on the need to study literature not envisaged in the early days of the research.

A computer search survey to determine published and other available information on quality and reliability and their control in the hospitality industry was conducted at the University of Guelph, Canada. The key words used in the search were quality, reliability, standards, hospitality.
(hotels, lodging, foodservice, catering) and control (assurance, measurement, inspection, testing, auditing and assessment).

This identified a number of sources, some of which proved valuable. It did, however, further emphasise that only a limited amount of published information directly applied to the hotel and catering industry.

After this initial study the literature survey extended through a number of disciplines. First of all literature in the field of quality and quality control, first applied in the manufacturing industries and later as applied to the service industries. This led into a study of the nature of services and comparisons with manufacturing. This then led into the fields of marketing, anthropology, aesthetics and design which all proved to have closer links with the research than originally expected. Following this research, literature was examined to identify possible techniques for describing services offered by the hospitality industry.

Following this the operational aspects of quality control were further examined and this led into literature surveys concerning organisation theory and management functions which appeared to have an application to maintaining quality in the hospitality industry. Further techniques for maintaining quality were examined in the literature, in order to identify an appropriate technique for the research project.

At this stage the hypothesis was evolved and the test designed and tested. Following this a number of gaps in the literature were identified and subsequently these areas were studied to resolve some of the unanswered questions raised by the test.
A tentative outline of the structure of the thesis was based on and initial approach agreed between supervisor and researcher. This fell into four main parts: findings of the literature survey; the hypothesis and design of the test; the findings of the test; and the conclusions of the research. The programme set out a tentative timetable which was dependent upon finding a company prepared to allow the hypothesis to be tested.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review of literature</td>
<td>40 days</td>
</tr>
<tr>
<td>Agreement of outline programme</td>
<td>20 days</td>
</tr>
<tr>
<td>Development of hypothesis</td>
<td>30 days</td>
</tr>
<tr>
<td>Design of questionnaire and/or mechanisms</td>
<td>30 days</td>
</tr>
<tr>
<td>Conduct of survey and/or comparative action research</td>
<td>90 days</td>
</tr>
<tr>
<td>Formulation and preparation of thesis</td>
<td>60 days</td>
</tr>
<tr>
<td>Total</td>
<td>270 days</td>
</tr>
</tbody>
</table>

Later it became clear that it was impractical to present the literature survey as one part of the thesis and that it would be desirable to adopt a structure based on a series of topic areas, each of which would include reference to the literature that was applicable to a particular topic. The programme was extended as a more complex approach evolved during the study. Subsequent discussions with the company prepared to test the hypothesis indicated that the test required more time than originally envisaged.

1.3.4 Development of hypothesis

The original aim of the research as set out in the research proposal was:
'To establish mechanisms for determining, in the hotel and catering industry, quality and reliability standards for customers, how these can be translated into operational standards and subsequently communicated and monitored.'

The hypothesis that evolved from this aim after two years of conducting the research was:

'Quality standards of hotel and catering services are most effectively maintained when both those responsible for policy making and implementation of such services are able to perceive the key dimensions used by the customers themselves in their evaluation of the services and when those implementing have the mechanisms for taking action to ensure that realistic standards are met.'

The reasons for this change of emphasis between the aim and the hypothesis reflect the way the research developed as a result of the literature survey and practical experience during the period the research was conducted.

1.3.5 Design of questionnaire or design of mechanisms

The alternatives implied in the title of this stage indicate that at the beginning of the study the researcher had no clear picture of the most appropriate technique or techniques that would be used to test the hypothesis. In the end the test was designed in two stages and a very different technique was used for each stage. Each technique was selected from a number which were considered following a study of the research techniques that had been used to tackle similar problems in the past.

The technique for the first stage of determining and comparing the perceptions of customers, policy makers and implementers when evaluating service was the repertory grid technique. The technique for the second stage of ensuring that realistic standards were met were a number of techniques used in quality circles, a participative problem solving approach to maintaining quality.
1.3.6 Conduct of survey or conduct of comparative action research

When the test had been designed it involved a series of surveys and some comparative action research. Both parts were carried out in the Holiday Inn at Swiss Cottage over a period of eight months. The surveys were conducted by the researcher. The researcher acted as an adviser and observer in the comparative action research. On completion of the test the findings were fed back to senior management of the company who had previously agreed the approach.

1.3.7 Structure of the thesis

The next seven chapters of the thesis are based on the literature survey, the conclusions for each chapter develop a number of themes. These themes are woven together as the chapters evolve and it is from these conclusions that the hypothesis and test set out in Chapter 7 evolved. Chapter 8 sets out the findings of the test and Chapter 9 the conclusions of the research.
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2.1 INTRODUCTION

A study of the literature concerning service indicates there are wide differences in the understanding of the nature of service. Different approaches are used to explore the nature of service, these include: comparisons between service industries and manufacturing industries; comparisons between services and products; and an examination of the characteristics of service. Each of these approaches is examined and these are followed by conclusions and a working definition on the nature of service.

2.2 DISTINCTIONS BETWEEN SERVICE INDUSTRIES AND MANUFACTURING INDUSTRIES

The Standard Industrial Classification (1) distinguishes between those groups of industries through which goods are produced and those through which services are rendered. Although, in recent years more attention has been given to service industries, the classification gives little insight into the nature of service. The reason for this is that the classification appears to be production rather than market orientated, as illustrated by the use of the words 'produced' and 'rendered'.

Juran (2) suggests there are differences between manufacturing and service industries and, for example, states:

"In carrying out its mission the service company sells direct to the user. This is true not only for the large industrial user but for the small users as well. In this latter respect, the service company differs sharply from the manufacturing company".
He then immediately appears to undermine his argument by identifying significant exceptions in a footnote:

"This is not a 100% true. Some service companies (eg in the insurance industry) sell extensively through independent agents. Also, some manufacturing companies sell direct to the consumer (eg through mail order or through house to house selling). However, the services exhibit a very high proportion of direct sales to the consumer whereas this proportion is very low for the manufacturing companies".

Levitt (3) does not accept there are differences and states:

"Purveyors of service, for their part, think that they and their problems are fundamentally different from other businesses and their problems. They feel that service is people intensive, while the rest of the economy is capital intensive. But these distinctions are largely spurious. There are no such things as service industries. There are only industries whose service components are greater or less than those of other industries. Everybody is in service".

Levitt, to support his view, picks McDonalds as being representative of service industries. He illustrates the similarities between a fast food operation and a manufacturing production line. He does not appear to recognise as Woodward (4) suggests that manufacturing industries vary in their technology or that McDonalds may not be representative of all service industries.

Gronroos (5) questions Levitt's view, that there are only industries with varying degrees of service components and that everybody is in service, in the context of marketing services. He suggests there is no empirical evidence to support the view that concepts used by companies in goods industries can equally be applied to service firms.
Thomas (6) supports Gronroos's view from a similar perspective, when he suggests that many managers of service businesses are aware that the strategic management service business is different from that of manufacturing business.

It does not follow that because the present practices used in manufacturing business do not have an application in service business that manufacturing and service industries are necessarily different. It is possible that present practices are not appropriate to manufacturing and service businesses but that practices will evolve which have an application to both.

Thomas (7) points out that there are also significant differences between service industries; for example, some are equipment based and some people based. Further, that an industry can change from one base to the other, as illustrated by the introduction of the automatic telephone system. Some industries such as the hotel industry are based on both.

From the views expressed it appears that in manufacturing there are common and different characteristics between industries and similarly common and different characteristics in service industries. It also appears that some but not all of the common characteristics in manufacturing and service industries are common to both.

Further, that there may be some characteristics which distinguish service industries from manufacturing industries, these characteristics are examined later in the chapter.

Gainsley (8) draws a different kind of distinction between manufacturing organisations and hotels:

"In manufacturing organisations a customer service system can be identified as a separate sub-system. The hotel ... has customer service central to its raison d'être".
This distinction between service as a supporting activity and service as a central core is a valuable insight into the nature of service and will be developed in the chapter.

2.3 DISTINCTIONS BETWEEN SERVICES AND PRODUCTS

Sabolo (9) in discussing the antithesis between demand for services and goods draws attention to one of the problems of classification of services and products:

"for example, household electrical appliances and domestic servants meet the same wants as do - to take another example - radio and television sets on the one hand and services provided in traditional places of entertainment on the other. Furthermore, the consumption of a service is sometimes inseparable from the consumption of a good, as in the case of establishments serving food and drink".

This need not necessarily be a problem if as Levitt (10) suggests customer service is a requisite of getting and holding business; just like the generic product itself, and implies that there is no need for a separate definition which distinguishes a product from a service.

This broad generalisation appears to be supported by Kotler (11) who, in the marketing literature does not distinguish between products and services. He suggests three concepts when discussing the character of a product: formal product; core product and augmented product. Kotler indicates that the formal product can be a physical object or service, which is readily recognised as the offering and gives the following examples: lipsticks, computers, educational seminars and political candidates. A formal product, he asserts, may be recognised as having up to five characteristics: a quality level, features, styling, a brand name and packaging. Kotler describes the core product as the essential utility or benefit that is being offered to, or sought by, the buyer. The
augmented product concept as the totality of benefits that the person receives or experiences in obtaining the formal product.

Brown and Jaques (12) can also be seen to relate to Kotler's idea of the augmented product with their concept of the 'product surround'. They define this as:

"the cluster of aura of subjective values given to a product by the market, which are not a part of the objectively definable product to which the purchaser is entitled by the money he pays, but the importance of which is determined by what the purchaser thinks about the product and about the enterprise that markets it".

Kotler, and Brown and Jaques illustrate that they recognise that products are complex and include intangible elements. Kotler also indicates that this complexity embraces products and services.

Shostack (13), whilst recognising the complexity, stresses the need to distinguish between products and services when she suggests:

"Little by little, the realisation is growing that services in fact are not only profoundly different from products, but that an entirely new discipline may have to be created to deal with them".

Cowell (14) in seeking these distinctions draws attention to the American Marketing Association definition of service:

"activities, benefits or satisfactions which are offered for sale or are provided in connection with the sales of goods".

The difficulty with this definition, Cowell suggests, is that it is too broad, for arguably products could be construed to offer 'benefits and satisfactions' as well as services. This definition does, however, allude to the difference identified by Gainsley between service as a support activity and service as a central core (see p28).
Cowell (15) examines a number of approaches which distinguish products from services. One way is to draw up lists of different types of services, consumer and industrial. The disadvantage of this approach is that they become outdated and do not describe the essential nature of service.

Another approach identified by Cowell (16) is where authors have attempted to develop listings of perceived similarities and differences between products and services on fundamental lines.

Shostack (17) has identified the following differences:

1) products are intangible - services are not;
2) products are replicable and engineerable - services are often non-uniform and non-engineerable;
3) product pricing is primarily cost based - service pricing is primarily value based;
4) product distribution involves the shipment of goods - service distribution involves the dissemination of processes;
5) products can be separated from people - services are often perceived as the people who render them;
6) products are positioned through image - service through evidence;
7) products can be invented and tested in the laboratory - services can only be developed experientially and by heavy reliance on qualitative science.

Thomas (18) supports some of these differences when he suggests that in the product orientated business, the physical reality of the product provides a simple but powerful base on which to build a business description whereas services are more abstract. He suggests that a pure service is the primary entity sold and where the transfer of a physical product is incidental to the service.
Cowell (19) indicates there are difficulties in establishing functional features which accurately and precisely delimit the differences between products and services. Exceptional cases so often invalidate the functional features suggested.

Cowell (20) suggests that the differences might be more a matter of emphasis than of nature or kind, implying some form of scale. Sasser et al (21) suggests such a scale in a table comparing various goods and services packages (Table 2.1), and that a purchase becomes a service when 50% or more of the bundle is of a services content.

Table 2.1 A comparison of various goods and services packages

<table>
<thead>
<tr>
<th>Goods</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>25</td>
</tr>
<tr>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>Self-service groceries</td>
<td>Restaurant meal</td>
</tr>
<tr>
<td>Automobile</td>
<td>East food restaurant meal</td>
</tr>
<tr>
<td>Installed carpeting</td>
<td>Fast food restaurant meal</td>
</tr>
<tr>
<td>Auto maintenance</td>
<td>Restaurant meal</td>
</tr>
<tr>
<td>Hospital care</td>
<td>Haircut</td>
</tr>
<tr>
<td>Haircut</td>
<td>Consulting services</td>
</tr>
<tr>
<td>Consulting services</td>
<td>Motel services</td>
</tr>
</tbody>
</table>

Gronroos (22) considers a service continuum with pure goods at one extreme and pure service at the other is a faltering concept caused because of a confusion in the nature of service.

Gronroos (23) defines the two kinds of service as follows:
"1) services as objects of marketing - the service is the core of the marketing offering;
2) services as marketing variables as a means of competition when marketing goods."

Cunningham and Roberts (24) in a similar way suggest there are two meanings attached to service:

"1) When service is central to the transaction and it is a service rather than a product which is being sold (ie a transport service or an industrial cleaning service).
2) When the product is central to the transaction but service is supplied in conjunction with it (ie a guarantee that the product will be replaced if it fails on the speed of response to provide a repair service)."

These similar distinctions of Gronroos and Cunningham and Roberts between service as a central core and service as a marketing variable links closely with Gainsley's distinction between customer service which is a central system and customer service which can be identified as a separate sub-system (see p28). These distinctions are further developed in a later section of the chapter examining the service characteristic of intangibility.

2.4 CHARACTERISTICS OF SERVICE

Cowell (25) identifies another approach where services are classified according to the unique characteristics they are thought to possess. The following characteristics, Wilson (26) suggests, distinguish services from products:

- intangibility;
- direct relationship between provider and customer;
- user participates in production;
- production and consumption simultaneous.
Stanton (27) identifies the following unique attributes in the marketing of services which embrace the characteristics identified by Wilson:

- heterogeneity;
- intangibility;
- inseparability;
- perishability.

Another characteristic of services is suggested by Wyckham et al (28) and this is the characteristic of non-ownership of the service itself. Gronroos (29) suggests accessibility as a promising concept for service firms. Gainsley (30) identifies a further characteristic of customer contact, which he distinguishes as a separate aspect from the nature of service when discussing the development of hotel systems.

These characteristics have been consolidated into the following characteristics:

- perishability;
- ownership;
- intangibility;
- inseparability;
- accessibility;
- customer contact;
- heterogeneity.

Each of these is examined in order to ascertain whether they given further insight into the nature of service.

2.4.1 Perishability

Stanton (31) suggests that perishability is a characteristic of service industries. Wyckham et al (32) point out that perishability is a characteristic of all products and services. Although they admit that the speed of perishability may tend to be faster in the
service industries. There are, however, manufactured products which are highly perishable.

This characteristic of all services and some products means that stockholding cannot be used as a means of meeting peak demand. Sasser et al (33) suggest that the combination of perishability and wide swings in the volume of demand place heavy pressure on service firms to develop and implement plans to alter the demand schedule for a firm's service to fit more closely to its physical capacity. The result, if the market effort fails is the firm has periods of id capacity or periods of insufficient capacity or both.

This suggests that perishability is closely linked with inseparability and that it is inseparability that is a particular characteristic of services rather than perishability which can apply to both products and services.

2.4.2 Ownership

Shostack (34) makes the suggestion that tangible products are normally owned by the users. Wyckham et al (35) point out that services cannot be owned by the user. Judd's (36) definition of a marketed service also refers to ownership, when he states:

"A market transaction by an enterprise or an entrepreneur where the object of the market transaction is other than the transfer of ownership (or title) of a tangible commodity".

This definition also refers to tangibility.

Juran and Bingham (37) indicate that the development of leasing means that not all products may be owned by the users. This indicates that non-ownership cannot be exclusively applied to services, although it is apparently
of some significance when linked with intangibility. This suggests that intangibility may be a key characteristic of the nature of service.

2.4.3 Intangibility

Cowell (38) states that

"one of the most widely agreed characteristics of a service is 'intangibility'."

Stanton (39) supports this view and also suggests that whereas a customer can physically evaluate a product he cannot physically evaluate a service before purchasing. This is a doubtful distinction because as Wyckham et al (40) suggest it is open to question whether consumers can physically evaluate products. They point out the inability of individuals to discriminate between products both simple and technically complex. Mason (41) recognises this and suggests the consumer compromises by singling out a number of secondary indicators. Shostack (42) also suggests that consumers single out indicators and that these are tangible clues of an intangible service.

Shostack (43) has the view that all products and services have an element of intangibility and has developed a model that provides for this. She suggests that products have a tangible nuclei and can be described as tangible dominant, services have an intangible nuclei and can be described as intangible dominant. Further that this nuclei can be surrounded by both tangible and intangible molecules.

To give further insight into the concept Shostack suggests a scientific analogy, where the market entities have multiple elements, a change in a single element may alter the entity, as the simple switching of $Fe_2O_2$ to $Fe_2O_3$ creates a new substance.
An illustration (Figure 2.1) of an application of the model compares an automobile - a tangible product for satisfying the market's transportation needs with an airline - an intangible dominant alternative for satisfying the market's transportation needs, yet with important tangibles such as interior decor, food and drink, seat design and overall graphic continuity. Some of which are also characteristics of the automobile.

Users on different occasions may be expecting a different arrangement of the cluster of molecules surrounding the nuclei. Occasionally the nuclei may actually change. For example, a car owner hiring a car would be changing a tangible product to an intangible service. A car then becomes one of the surrounding molecules.

Figure 2.1 Diagram of market entities
Shostack rings the elements surrounding the core. First by a set value or price and then by a circle representing distribution. Finally, the entire entity is encompassed by its 'public face' or market positioning.

Shostack's model provides for elements of service to be a marketing variable of an intangible dominant offering, as well as a tangible dominant offering. A failure to recognise that the word service can be used to describe the nature of both the core and the elements of an intangible dominant offering is one of the reasons why service offerings have been found difficult to define.

Shostack's model links closely to the distinctions made by Gronroos (44) and Cunningham and Roberts (45) between services as a central core and service as a marketing variable and Gainsley's (46) distinction between customer service as a central system and customer service as a sub-system.

It will be noted that Shostack uses the term 'offerings' to embrace both products and services. Wyckham et al (47) also suggest that one should consider not products and services but 'offerings' ie sets of needs satisfiers offered in particular markets. They also point out that consumers purchase not just the intrinsic need satisfaction of an item but a constellation of attached social and psychological factors as well.

Gronroos (48) is critical of the idea that customers are not buying goods or services but the value satisfaction of offerings, as it avoids the need to distinguish the nature of services and products.

Shostack's (49) concept of tangible dominant and intangible dominant 'offerings' with consumers using different kinds of clues to discriminate meets this criticism and provides the opportunity to classify
offerings along a continuum from tangible dominant to intangible dominant in a way that recognises the difference in the nature of market entities.

Maslow's (50) hierarchy of needs provides a useful way of looking at an offering from a users' point of view. Maslow suggests that there are five basic needs which are arranged in a hierarchy of importance:

- physiological;
- safety;
- belongingness and love;
- esteem and status;
- self actualisation.

It appears possible that the core of a product or service could be concerned with fulfilling a need at one or more levels. Further that particular needs could be satisfied by either a tangible or intangible molecule, for example: a tangible molecule may be taken as evidence of satisfying an intangible need (e.g., basket of fruit in bedroom may be saying we care). On the other hand a physiological need may be satisfied in part by an intangible (e.g., feeling of spaciousness may contribute to rest).

Caution needs to be given to assuming that each individual's hierarchy of needs is as suggested by Maslow, as although many consider it as a valuable insight into basic needs, little empirical evidence is available to support it.

Although it is accepted that all products and services have a degree of intangibility, Shostack's concept of 'intangible dominance' as a characteristic of all services is a useful approach to defining services. It must be recognised that any attempt to define customer needs should provide for a variety of tangible and
intangible elements required to meet the diversity of needs that exist, and avoid making assumptions in the relative importance of these to different individuals.

2.4.4 Inseparability

This characteristic Stanton (51) suggests, is the result of the simultaneous nature of the production and consumption of services. Wyckham et al (52) argue that this is not the case by pointing out the number of personalised services that are distributed to national and international markets. Examples given, include companies, banks, car rental and restaurants.

The views expressed by Wyckham et al appear to confuse at least two of the characteristics of service being examined. The distribution of personalised services appears to point to the characteristics of accessibility rather than inseparability. It is quite possible that the production and consumption of services could be simultaneous in each location.

Sasser, (53) also suggests that:

"In the production of a service, the process not only creates the product but also simultaneously delivers it to the customer. The service delivery system is a process in which the consumer participates".

It does appear that the nature of service is such that the provision (but not necessarily its production) and consumption of services are simultaneous. This indicates that the consumer is within the system, it does not imply, however, that production personnel need to be involved in the system at the same time a service is consumed. The provision of self service facilities are ample evidence of the need to distinguish between production and the provision of service.
Inseparability of the provision and consumption of service does therefore appear to be a significant characteristic of services, but need not imply contact with 'human bearers of service'.

2.4.5 Accessibility

In manufacturing industries the term distribution is commonly used to describe this activity. Although it is significant that Christopher et al (54) in a major study of service in manufacturing industry adopt the term availability a concept close in meaning to Gronroos's concept of accessibility, Gronroos (55) is critical of the application of distribution to service industries. He suggests:

"In my opinion the accessibility of a service is a much more promising concept for service firms. Resources influencing accessibility are, for example, human resources, machines, offices, buildings and other physical things as well as extra services ....... and they are all aimed at making the service quickly and conveniently accessible to the consumers".

Gronroos (56) to illustrate this point suggests that:

"Applying the traditional concept it may be difficult to view a person like the guide as a part of the channel of distribution, ...... because there is nothing tangible to distribute. In terms of accessibility, the guide is, a manageable resource making it possible for the customers to consume the service".

Gronroos's concept links with Shostack's concept of an intangible offering, that the resources -both human or non-human - influencing the accessibility transform the service into a concrete offering. The resources (the tangible elements in Shostack's model) are 'bearers of the service'. The following elements are given by Gronroos (57) as examples:

"The location of the bank, the interior of the bank office or travel agency, means of transportation and their condition, the interior and exterior of a restaurant, the waiters, ticket collectors on buses and trains, computer and telecommunication networks".
This concept, Gronroos also believes, breaks free from the traditional concept of direct distribution. He gives, insurance machines and franchise arrangements used by hotel and catering enterprises of innovative developments of the resources influencing accessibility.

Gronroos (58) also suggests accessibility may be influenced by offering extra auxiliary services. Sometimes a service may be an extra service influencing accessibility for one consumer and an auxiliary service for another. This links closely with Shostack's scientific analogy where an element can become the core and vice versa (see p 37).

Two of the elements of service Nightingale (59) identifies, information and advice; and time; appear to be a part of this dimension. Information and advice acts as a bearer of a service. Time concerns the time when the service is offered and the time it can take for someone to order (breaks down into two parts: recognition of wish to order and time before an order is taken) and the wait for a service to be provided.

Sasser et al (60) focuses on time when discussing 'waiting for service'. He suggests:

"There are a number of psychological aspects to waiting. First, waiting may imply an unwarranted waste of time .... Many customers agree to a waiting period if they think they are being treated fairly and the situation is under control .... Psychologists indicate that a perception of a lack of control often results in irritation and may lead to intense distress, which is hardly the psychological setting for providing service".

Sasser (61) also indicates that:

"It has been found that the attitudes of people waiting depend heavily on the conditions under which they are waiting. Customers must be convinced that what they are waiting for is worth it."
There are several ways to minimize the impact of a wait. One is to make the wait comfortable. Another is to distract the customer during the wait. Entertainment may accomplish this ..... Some distraction occurs in the waiting process if people are moved from one waiting point to another.

Although Sasser et al make some sound comments on the psychology of waiting and ways of minimising the impact of a wait when it inevitably occurs, they also appear to accept too readily the need for waiting, when there may be ways of reducing or doing away with this need. There may also be occasions when a longer wait may enhance an experience (eg a wait for a special event).

The concept of accessibility or the almost synonymous concept of availability (62) are an important aspect of service although it does not necessarily distinguish manufacturing and service industries as the concept may have an application wherever a market-orientated approach is adopted.

When applied to services it needs to embrace the following aspects: advice and information; accessibility; location; time of opening; timing (pre-recognition, waiting to order, waiting for service); and the service bearing or delivery systems.

2.4.6 Customer contact

Nailon (63) when discussing the traditional concept of service suggests that this relates to the psychological and physiological comfort and security of the customer, ie the security provided by being surrounded with familiar staff who know and anticipate every personal need.

Jeffries (64) underlines this concept when suggesting there is a school of thought who equate high quality service with flexibility - the ability of servants to be resourceful enough to cope with any conceivable contingency.
Levitt (65) indicates that:

"services are inextricably entwined with their human representatives. In many fields, a person is perceived to be the service. The consumer cannot distinguish between them".

He (66) further suggests:

"The concept of 'service' evokes, from the opaque recesses of the mind, time worn images of personal ministration and attendance. It refers generally to deeds one individual performs for another".

Pye (67) when discussing personal service argues for a need for more precise definition and states:

"Too often, however, the expression of 'personal service' is used without further amplification. It seems to be modelled on the traditional luxury idea of good service and seems to be a mixture of friendly, polite, deferential tactful and obsequious behaviour. In other words, all things to all men".

All of this illustrates that traditionally the nature of service and the degree of personal contact were seen as synonymous. The continued prelevance of this view is illustrated by some of the following statements:

"dealing with someone dealt with before, someone who is in a position to deal with an individual with personal banking, the consumer has a banker not just a bank" (68).

"What do guests want? They want a warm welcome and a friendly courteous, helpful staff. We all know that: it is like the American constitution" (69).

"that people will remain services essential ingredient for the foreseeable future" (70).

Sasser (71) suggests that:

"There appears to be a set of elements in the human content of certain services that technology has been unable to replace so far. These elements include:
(1) human presence (warmth), (2) human assurance (security), (3) human response (idiosyncratic unstructured and infinite variations), (4) human dexterity, and (5) human reasoning"

and that

"It is important to identify the functional tasks that are provided by human labour as the starting point for any system of measuring and controlling the level of service".

Sasser et al (72) also points to the mistakes that can be made in substituting capital equipment for people in that this can lead to removing the employee's discretion in the performance of his job which can lead to negative attitudes in personal contact.

Coombes and Green (73), however, in examining the impact of microelectronics on service employment point to applications which have increased productivity: self service pumps; automatic tellers; ticket vending machines; automatic ticket barriers. It is not suggested that these applications have reduced the service.

Although Coombes and Green (74) do go on to state:

"However, the 'personal' character of many services is deeply ingrained in social custom and even the most sophisticated equipment will probably be seen as an adjunct to rather than a replacement for many conventional jobs".

Shaw (75) goes further and claims:

"Perhaps the most marked frustrations with services lies in the feeling that personal contact - and personal caring - have been lost".

"today's depersonalisation leads to a deterioration in the quality of life which can be described as a hassle. The hassle factor makes it harder to get things done".
Levitt (76) suggests that because service and personal service are seen as synonymous:

"The most that therefore can be expected from service improvements is that, like Avis, a person will try harder. He will just exert more animal effort to do better what he is already doing".

He then goes on to challenge the humanistic concept when he (77) suggests it:

"diverts us from seeking alternatives to the use of people, especially to large, organised groups of people. It does not allow us to reach out for new solutions and new definitions. It obstructs us from re-designing the tasks themselves; from creating new tools, processes, and organisations; and perhaps, even from eliminating the conditions that created the problems".

Levitt (78) makes no such concessions to the personal character of service; he states:

"If we continue to approach service as something done by individuals rather than by machines or systems, we will continue to suffer from two distortions of thinking:

1) Service will be viewed as something residual to the ultimate reality; to a tangible product, to a specific competence.

2) Service will be treated as a purely human task that must inevitably be diagnosed and performed by a single individual.

Until we think of service in more positive and encompassing terms, until it is enthusiastically viewed as manufacturing in the field receptive to the kinds of technological approaches that are usual in the factory, the results are likely to be just as costly and idiosyncratic as the results of the lonely journey man carving things laboriously by hand at home".

Levitt is supported by Thomas (79) who expresses the view:

"The traditional image of the service business is that a service is invariably and undeviatingly personal, as something performed by individuals for other individuals. This perspective is erroneous".
Chase (80) implies that the approach depends on the nature of the service process:

"To elaborate, customer contact, refers to the physical presence of the customer in the system, and the creation of services refers to the work process that is entailed in providing the service itself. Extent of customer contact here may be roughly defined as the percentage of time the customer must be in the system relative to the total time it takes to serve him".

This introduces the need to distinguish between customer contact with the system and customer contact with personnel employed in the system. Gronroos (81) in his concept of bearers of service, indicates that the resource for bringing the service to the market can be human or non-human.

Nightingale (82) in distinguishing between human contact, time, and information and advice as elements of service indicates that personal contact is not necessarily essential for obtaining information and advice and that when human contact is needed this does not necessarily imply contact with personnel, human contact with other customers may be just as satisfactory.

Nailon (83) introduces a related idea:

"It seems to me that broadly two different types of service are sought by a range of customers and I will describe these as hedonistic or pleasure seeking which may contain an element of entertainment and utilitarian which is a substitute for the normal domestic type of requirements .......

Thus we can see that service in both hedonistic and utilitarian situations involves human contact on a spectrum of routine to personalised."

Little attention, Nailon suggests, has been paid to the redefinition of the role of staff in providing service or psychological comfort in these different situations.
Nailon's assumption that pleasure seeking implies a need for human contact with other customers or staff and that this may not be expected in utilitarian situations needs to be examined.

Any redefinition of roles it is suggested needs to take into account the needs of the customer for information and advice, social contact or privacy and the role of the personnel in the system.

It is interesting to note that Bender (84) in a definition of customer service makes no reference to human contact with personnel:

"The set of activities performed in a company that interact with its customers to ensure their satisfaction with the company's products or services".

This stresses the relationship between the user and the company. Christopher et al (85) in a similar way make no reference to personnel when they suggest customer service in manufacturing forms a matching function between supplier and customer in a system organised to provide a continuing link between the time the order is placed and the goods are received with the objective of satisfying customer needs on a long term basis.

The need for contact with personnel will depend upon the percentage of time the customer is within the system relative to the total time it takes to provide and consume the service. It will also depend upon the customers need for information and advice and preferences on how this should be made available. On whether the service needs to be provided by a person. Further, how much social contact is required with the personnel and other customers to provide a sense of reassurance and security, and generating a feeling of social well-being.

It is possible that alternatives to contact with personnel could provide satisfaction for some of the situations
given above, but that in other situations this would not be the case. It seems clear that the nature of customer contact expected needs to be determined for each group of individuals seeking an experience from an enterprise and the nature of this will depend on their needs, values and the way the service is consumed.

It appears that there are two characteristics of service associated with personal service which lead to confusion. First, it is a dimension of inseparability when the consumer expects the service to be borne by a person. The second is a characteristic of human contact which in some cases will need to be provided by the personnel, but in some cases by other consumers.

Where human contact is expected and provided by the personnel it is important to recognise that the attitude will be influenced by how much control the personnel have of how they provide the service.

2.4.7 Heterogeneity

* Stanton (86) suggests that whereas products are uniform, services are heterogeneous. In contrast Wyckham et al (87) suggests that:

* "Even from the production side all services are not heterogeneous. Airlines and franchised restaurants are two examples of attempts to deliver uniformity of service".

* Wyckham et al (88) in questioning that this characteristic distinguishes manufacturing from services states that:

* "Distinguishing services from products in this way ignores what is known about consumer perception. A product is not perceived in the same way by all consumers. Hence, even though a manufacturer may produce uniform products this uniformity does not necessarily relate in common perceptions".
This suggests there is a wide difference of perception of use by consumers of products and services.

Christopher et al (89) in applying the concept of customer service suggest:

"a central concept of customer service is that customers create a variety in the form of demands on suppliers and that management responds to meet this variety".

This relates closely to Jeffries (90) idea that there is a school of thought that associates service with flexibility - the ability of servants to be resourceful enough to cope with any conceivable contingency and equate mass production and uniformity with poor quality service. Whereas, others he suggests associate good service with uniformity - characteristics such as punctuality (air service), promptness (early morning call), and cleanliness (train compartment).

All of this implies that a characteristic by which both products and services can be distinguished may be on the degree of difference in consumers' perception of the use of a particular product or service. Further that the combination of characteristics of an offering may include some, where because of the common needs of many users, be uniform and others which are expected to meet the possibly unique requirements of individuals. This suggests that services may be influenced by what at first sight appear to be the conflicting characteristics of heterogeneity and uniformity. It appears that with some services the emphasis will be on uniformity, with some the emphasis will be on variety and with some service falling between the two. A way of responding to this may be by providing sufficient choice of uniform services. Another would be to have some basic uniform services and to offer additionally the facility to provide a variety of extras.
2.5 COMPLEXITY OF SERVICE

2.5.1 Interrelation of service characteristics

The characteristics of service identified appear to be interrelated. Nailon (91) identifies and links some of the characteristics when he suggests service has the following three dimensions:

- human contact
- availability (accessibility)
- information

Gronroos (92) appears to identify the same characteristics when identifying personal communication and accessibility, and suggests that they may be viewed:

"as parts of the 'product' of service industries. They fulfil the function as bearers of the service, which bring out the intangible service to the markets as a concrete service offering, ie, as a product. Moreover, the auxiliary services offered are from the consumers' point-of-view also part of the service offering".

He describes the bearers of the service and the auxiliary services as intra-corporate elements of the service. Figure 2.2 shows how the bearers and the auxiliary service are linked together and to the core of the offering.

Figure 2.2 Intra-corporate elements of service

- The idea of the service
  (core of the offering)
- Auxiliary services
  Accessibility
  Personal market communication
In Groonroos's figure the continuous line connects the idea of the service, the accessibility, the personal market communication, and the auxiliary services which Gronroos suggests, indicates that these elements of service can be directly controlled and managed by the marketer.

The consumer himself can be considered part of the service he buys and consumes, Gronroos (93) suggests and states:

"His expectations and acting certainly influence the behaviour of the human representatives of the service firm. Thus, the quality of the service varies according to the behaviour of the consumer. The attitude of the consumers towards the service and towards the organisation producing and marketing the service must from the very beginning be kept favourable, and if the consumer happens to become disappointed, immediate action is called for".

Gronroos (94) proposes that consumers of a service can be considered extra-corporate elements of the service. In Figure 2.3 these elements have been added to the intra-corporate dimensions of services.

**Figure 2.3 An extensive view of service**

![Diagram showing the idea of the service, auxiliary services, accessibility, personal market communication, and consumers.](image)

In this figure the dotted line connecting the consumers with the two bearers of the service shows that the consumers may influence both of them, but that the behaviour of the consumers only indirectly can be controlled by the marketer. But the line also stresses the point that the behaviour of the consumer is still, in some way, manageable.
Attoff (95) illustrates an application of Gronroos's ideas and classifies the elements that surround the core, which further indicates how the characteristics are interrelated (Figure 2.4).

**Figure 2.4 Core and elements of airline**

<table>
<thead>
<tr>
<th>The image of the company (T)</th>
<th>Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seat reservation (T)</td>
<td>K - consumer</td>
</tr>
<tr>
<td>Paying system (T)</td>
<td>T - availability system</td>
</tr>
<tr>
<td>The schedule (T)</td>
<td>S - support service</td>
</tr>
<tr>
<td>Connection service (T)</td>
<td>P - personal market communication</td>
</tr>
<tr>
<td>Hotel booking (T)</td>
<td></td>
</tr>
<tr>
<td>Checking in (T)</td>
<td></td>
</tr>
<tr>
<td>Service (S)</td>
<td></td>
</tr>
<tr>
<td>Music and television service (S)</td>
<td></td>
</tr>
<tr>
<td>Fellow travellers (K)</td>
<td></td>
</tr>
</tbody>
</table>

Shostack (96) links at least two aspects in her molecular model intangible dominance and accessibility (distribution). Shostack's model provides the basis for a model which can interrelate all the characteristics which appear to be of significance. This approach as Shostack indicates also provides an opportunity to describe an intangible dominant offering in experiential terms. An approach which a number of others through their statements consider appropriate for describing services:

"totality of benefits that the person receives or experiences" (97).

"Since this service exists only during the time in which it is rendered, the entity's true 'reality' must be defined experientially, not in engineering terms" (98).

"More attention should be given to the quality of the experience" (99).
"if the experience does not enhance the self concept" (100).

"In creating a unique meal experience" (101).

2.5.2 Definition of the experience

To define a service experience it is essential to focus on the needs of the customer and the contact between the user and the provider of the service.

Sasser et al (102) draw attention to this when they suggest:

"One of the first steps in understanding the service product of an organisation is to be able to define all the elements of the purchase bundle perceived by both the buyer and seller, .... and the relative importance of each component to the consumer".

He also suggests that there is a need to define a service in terms of a total service concept because of the role the process plays in creating the experience:

"A primary reason for defining the service product in terms of a total service concept is the role the process plays in creating the product. In purchasing a service, the consumer interacts with the workforce, equipment, and physical environment that create the service .... the service delivery system must be designed with the presence of the consumer in mind."

Although the provider and user are in close proximity Sabath (103) implies there are differences of view of services provided when he states:

"many firms set an in-house or industry standard service level without ever asking their customers what level of service they want, or even how they define service".
He goes on to suggest that:

"many 'service levels' are set arbitrarily, and often too high - generally, far higher than any customer would set them".

Christopher et al (104) appear to support this view and suggest the management of customer service is often focussed on a limited set of dimensions which are presumed to fit the needs of customers and that these appear to be determined by historical accident rather than deliberate management decision.

Sabolo (105) focuses on the user when he suggests that it is better to distinguish the consumption of service by type of consumer rather than by type of demand. He suggests, there are final consumers who 'destroy' a service, and the intermediate consumers who use the service in the production of a good or service. He further suggests that the demand of services by the final consumer can be divided into new services (eg education, health and tourism) and old services (domestic services).

Christopher et al (106) supports Sabolo in advocating that customers should be divided into different groups as separate market segments when determining customer service needs.

Holmes (107) when distinguishing between service professions also appears to be focussing on the consumer. He distinguishes between the personal service professions (health, welfare and education) and the impersonal service professions (law, architecture and accounting). The primary responsibility for the first group is to bring about changes in the body or personality which the other professions are not responsible for. The first group are in Sabolo's terms concerned with final consumers, the second group with intermediate consumers.
Sasser et al (108) in a different form of classification of professional service organisations and consumer service organisations implies that final consumers could be divided on a similar basis.

Consumers using the hospitality industry made up of consumer service organisations are final consumers and the approach suggested by Sabolo, and Holmes that one should focus on the types of consumer seem to be sound. This suggests that the needs of users described in experiential terms should be classified for each significant market segment.

2.5.3 'A wider perspective'

Some definitions of service suggest that its meaning is much wider than already suggested. Sabath (109), for example, suggests:

"customers don't define service level as the speed of shipment, but instead its reliability, its quality, its price, its availability, its advertising, its product line or its image".

Sabath (110) in conducting a service review within a company identified that a particular group of buyers saw service in that situation as a combination of price and availability.

Barney's (111) statement, similarly suggests he takes a broader view:

"Customer service should not be regarded as just availability but as a package of features desired by the customer, the most important of which is product availability. Some other elements of the package would be the accuracy of delivery promises, timely order acknowledgements, rapid quotations, quality of product, packaging etc".
Cunningham and Roberts (112) discuss 'before' and 'after' sales service as parts of a process and suggest that service factors should be categorised as convenience or reliability factors. These definitions overlap, as will be shown in Chapter 3, with the majority of peoples' perception of quality, and for this reason this perspective is not taken into account in the final conclusions and definitions of this chapter.

2.6 CONCLUSIONS ON THE NATURE OF SERVICE

From the examination of the seven characteristics described in the chapter, six characteristics have evolved which need consideration when determining and describing the nature of a particular service. These are:

- intangible dominance;
- inseparability (customer contact with service system);
- accessibility;
- social contact;
- uniformity;
- flexibility.

From a study of these characteristics the following conclusions have been drawn on the nature of service.

First that service is perceived by different people in different ways and that common perceptions are:

- that the core of a service is intangible;
- that the surrounding elements will be both tangible and intangible;
- that it needs to be readily accessible;
- that the user interacts with the provider or peer users through all stages of the consumption of service to seek satisfaction;
- that all or part of an offering will be uniform on each occasion offered.
Further that the following perceptions vary for a number of reasons:

that an offering may meet the variety of needs of different users;
that an offering may include social contact;
that an offering may be provided by personnel.

It appears that a satisfactory way of describing these characteristics in a co-ordinated way is to do this experientially, along the lines developed by Shostack or Gronroos. Further that in view of the way the service levels appear to evolve that these should be based on the expectations of the user. Further that the users should first be classified into significant market segments before determining their expectations.

These conclusions apply to offerings which are intangible dominant, whether they apply to tangible dominant offerings is outside the scope of this research. There is a need, however, to distinguish between service as the core of an intangible offering and service as a surrounding element of a tangible or intangible core. In this research the words service and customer service are used to make this distinction and the following definitions used:

Service

A service is something with an intangible core that is viewed as capable of satisfying a want.

Customer service

This definition was developed from Bender's (113) definition incorporating many ideas of Christopher et al (114).
The set of activities, tangible and intangible, offered by a company as part of its objectives which interact with its customers seeking satisfaction at all stages in the consumption of an offering.
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CHAPTER 3  NATURE OF QUALITY

3.1 INTRODUCTION

The previous chapter examined the nature of service; this chapter examines the nature of quality and the next chapter brings the two subjects together and examines a concept of the quality of service.

One of the striking features in studying much of the literature concerning quality is the assumption that its meaning is well understood and that although there is a need to define such phrases as quality control and quality assurance there is less need to define quality. It will be shown different people have different ideas about quality and this leads to difficulties in maintaining quality. This chapter examines the nature of quality and concludes with a definition, which has been used whilst conducting the research.

3.2 NEED FOR DEFINITION

The following quotations illustrate that there is no common understanding of quality and underlines the need for definition.

"The term 'quality' suffers from many different definitions and interpretations" (1).

"But what is quality? It is one of those concepts which possibly because we think we grasp it intuitively, we have bothered very little to define exactly" (2).

"The word quality has in many cases been devalued into insignificance by its unrestricted use in our daily life. Furthermore, there are so many possible definitions of the concept of quality. It is not only used for describing isolated aspects of quality (outward appearance, performance or reliability) but also for conveying abstract ideas such as organisation or attitude to work" (3).
"The first erroneous assumption is that quality means goodness, or luxury, or shininess, or weight" (4).

"Quality of life is a cliche because each listener assumes that the speaker means exactly what, he or she, the listener, means by each phrase. It is a situation in which individuals talk dreamily about something without ever bothering to define it" (5).

"The term quality of care is being increasingly used often by doctors and their potential patients. The meaning given to it is not always the same .... and when it is accompanied with proposals for assessment sometimes evokes emotional responses" (6).

"The average consumer associates quality with personal preference, as something that is liked, disliked, excellent, superior, great or good. These descriptions are both subjective and abstract, and do not produce concrete evidence about the degree of quality from the standpoint of actual grade .......

The analyst of technologist usually refers to quality as an index or measurement obtained by grading or classifying in accordance with explicit, predetermined specifications .......

Management equates quality with certain economic factors, such as the cost of the product, profits generated and consumer acceptance within the intended selling price range" (7).

"Quality ..... you know what it is, yet you don't know what it is. But that's self contradictory. But some things are better than others, that is, they have more quality. But when you try to say what the quality is, apart from things that have it, it all goes poof! There's nothing to talk about. But if you can't say what Quality is, how do you know what it is, or how do you know it exists at all. If no one knows what it is, then for all practical purposes it really doesn't exist at all. But for all practical purposes it really does exist. What else are the grades based on? Why else would people pay fortunes for some things are better than others .... but what's the betterness? ....... So round and round you go, spinning mental wheels and nowhere finding any place to get traction. What the hell is Quality? What is it?" (8)

The implications of these statements is that without definition there is a danger that the adoption of systems or techniques designed to improve or maintain quality will
lead to a disappointment because different assumptions are being made of what is being improved or maintained. Adam et al (9) suggest that the solution to the dilemma of definition is to recognise that the term is ambiguous and complex, and to make sure a common understanding exists when using it. The working definition used during the research is given at the end of the chapter.

3.3 DIMENSIONS OF QUALITY

A number of definitions found in the literature survey have helped to identify a number of different dimensions of the concept of quality. Each of the following sections is concerned with a dimension and examines the definitions of quality from which the dimension was derived.

3.3.1 Fitness for use

Belbin (10) defines quality as 'fitness for purpose'. The brevity of this definition is both a strength and a weakness. It underlines that 'use' is a key component of the concept of quality, one which is generally overlooked. Its brevity, however, implies that quality is a simple concept and that other factors are not important. Many products may be fit for their use but still be considered poor quality. On the other hand if something is not fit for use it cannot ever be of quality.

Van Zweiten (11) defines quality in a similar way 'fitness for use to such extent as the user expects'. This definition whilst reinforcing 'use' also relates quality to the viewpoint of the user and their expectations. This not only stresses that the needs of the user cannot be overlooked, it also introduces the idea that quality can be looked at from different points of view.

Crosby (12) suggests 'conformance to requirements'. This definition also implies fitness for use. It also
introduces the idea of consistency and stresses the idea that there may be other requirements than fitness for use.

The definition of Quality given in the Sale of Goods Act (13) which states that goods must be of 'merchantable quality', that is they must be reasonably fit for their normal purpose. It further states, that goods should be fit for a particular purpose specifically agreed between the purchaser and the retailer. This legal definition also underlines the importance of the dimension of 'fitness for use'.

In the initial stages of the research this dimension was assumed rather than explicitly stated in the working definition. As the research progressed it was decided to make this explicit and it was important to include in any definition of quality reference to the appropriateness of a product or service for a particular purpose.

3.3.2 Reliability

Reliability in the United Kingdom is normally treated as a separate concept to quality; in the United States it is considered a dimension of quality. An examination of the definitions of reliability suggest that, particularly for a service industry, it is more appropriate to consider reliability as a dimension of quality. The following definitions are typical of definitions of reliability found during the literature survey.

"That may be relied upon, of sound and consistent character or quality" (14).

"The probability that a product, device or equipment will give failure-free performance of its intended functions for the required duration of time" (15).

Both these definitions relate closely to the dimension of quality - fitness for use, and imply that the dimension of
reliability is concerned with consistency of this fitness for use over a period of time required.

Cunningham and Roberts (16) have identified what they describe as factors of reliability; these they suggest reduce the uncertainty of the purchase decision and provide for a greater usefulness and reliability of the product once purchased. These include: replacement guarantee; adherence to promised delivery dates; and repair or maintenance service.

These factors are means of achieving consistency of fitness for use over the period of time required. Their comment to reducing uncertainty also introduces the idea that reliability may also imply reassurance. Campbell Smith (17) also suggests that there is a need for some form of guarantee for the consumer who normally has little idea and no guarantee of what to expect in a restaurant until he has completed his first meal.

An element discussed by Castillo (18) concerns time and the reliability of punctual departures and arrivals for airline passengers. This introduces the dimension of the reliability of the availability of the service. Campbell Smith (19) suggests that in fast food operations a guarantee extends to the speed of service and reinforces this when suggesting that those using a service need a guarantee that the service will be given within the expected time.

Ryan stresses the need for reassurance also extends to knowing the price of a service, for example the price for a complete evening in advance (20). Potter (21) stresses the need for mechanisms to enable consumers to obtain redress when services are sub-standard. The existence of such a mechanism can be perceived of as evidence of reliability.
The elements of reliability that appear to be important each time a user consumes a product or service are:

- consistency in the availability of products or services;
- consistency in terms of fitness for use over the period of time the product or service is required and within the time the user expects to use the product or service;
- consistency in characteristics significant to users;
- evidence to reduce a feeling of uncertainty concerning the performance of a product or service, including a mechanism for redress.

A definition of quality needs to provide for this dimension of consistency and removing uncertainty. This can be achieved by making clear that a product or service should give satisfaction each time it is used and that the predictors and characteristics concerning consistency and removing uncertainty can be included.

### 3.3.3 Aesthetics and design

Adam et al (22) distinguishes between functional and aesthetic attributes of quality, drawing attention to a further dimension of quality. Doswell (23) draws attention to the characteristics of aesthetics and design when he suggests that architecture is the art of providing what is practical as well as an aesthetic answer to the question of how to enclose space for human occupancy.

Bullock (24) in a definition of aesthetics suggests it is concerned with the perception of things, other than for their practical use, the immediate qualities of the contemplative experience itself. Some (25) see aesthetics limited to objects which exist in our lives for no other purpose than to be seen, a stimulus to the imaginative life of the observer (26). Others (27) suggest it can be concerned with 'the margin of freedom from utility'. 
Greene (28) suggests:

"A work of art will be judged to have profundity or greatness in proportion as it seems to the observer (his philosophy of life being what it is) to mediate a profound experience by expressing, via artistic form, some profound interpretation of its subject matter".

This suggests that the dimension of aesthetics in the context of quality is related to the observer's view of life. This is reinforced by the following statement:

"Beauty is no quality in things themselves. It exists merely in the mind which contemplates them; and each mind perceives a different beauty" (29).

Gropius (30) in the Bauhaus experiment in design education developed an approach to product design that was creative and systematic. It evolved from an attempt to resolve the conflict between 'spontaneity' and 'standardisation'. A conflict very similar to the one of 'flexibility' and 'uniformity' dilemma considered when exploring the nature of service in Chapter 2.

The Bauhaus experiment was a complex yet fundamental approach that recognised that products have technical (functional), social and aesthetic requirements. Three aspects which are close three of the dimensions of quality identified in this research. Gombirch (31) also focuses on the social requirement when he suggests art is a symbol of social distinction.

One of the fundamental dilemmas in aesthetics is what determines what is good. Stolnitz (32) suggest it may just be an expression of personal preference. Tolstoy (33) believed that good art pleased everyone. Shaw (34) in contrast argues that the tastes of the mass of the people is corrupted and that any picture which pleases more than 10% of the population should be burned.
Hume (35) suggests:

"The man of good taste appreciates beautiful works of art and those works of art are beautiful that are appreciated by men of good taste".

Stolnitz (36) argues that Hume is guilty of circularity in this statement and suggests 'style' is a cultural as well as personal phenomenon.

Reilley (37) when discussing design suggests that this is an amalgam of many factors mixed in varying proportions according to need. Good design is not constant, he argues, but a variable, tailored to suit a given purpose, market or social requirement and a point of time.

It is difficult to draw conclusions in aesthetics but it seems reasonable to assume that a product or service normally has an aesthetic dimension, and that in this context, each individual has a unique combination of characteristics which are being sought. These characteristics are socially determined and change over time. Any definition of quality needs to provide for these unique but socially determined characteristics.

3.3.4 'Social symbol'

Reference has already been made in the previous section to culture. Thomas (38) in the following statement, when discussing the process of recognition of quality, points to an important but neglected dimension by those directly concerned with quality:

"The more usually recognised senses receive signals which are determined by various physical states in the outside world. The meaning attributed to these signals will be partly determined by the observer's needs, purposes and expectations, and partly by the structure in the outside world that give rise to the signals. The meaning which a man attributes to the signals which he receives from outside enables him to act in accordance with his intentions".
A limited survey of literature in the field of anthropology and marketing helped to shed light on this dimension. For example, Douglas (39) in suggesting why people need goods adopts an approach emphasising a double role for goods in providing subsistence (fitness for use) and in drawing lines of social relationships.

Lancaster (40) argues that individuals are more interested in the characteristics of goods than in the goods themselves. When they choose, they are showing their direct preference for particular collections of characteristics and the preference for the actual goods that carry them is derived and indirect. His approach attempts to separate those properties of demand which are universal and depend on agreed characteristics that supply universal wants, and those which depend upon the idiosyncratic preference of individuals.

Douglas (41) suggests that the approach is unduly cumbersome by the inability to conceive systematically the consumer as a social being and consequently when Lancaster thinks of universal needs is driven back to universal physical needs. She suggests that we can never explain demand by looking only at the physical properties of goods (42).

"... as the enjoyment of physical consumption is only a part of the service yielded by goods; the other part is the enjoyment of sharing names ...".

Douglas (43) in fact considers that man needs goods for communicating with others and for making sense of what is going on around him. Markham (44) appears to support this view in remarking that increasingly we must take not only the rational appeals, such as performance and reliability into account but also the less commonly understood emotional appeals of ambition, sex, price, fear and insecurity.
Markham (45) in stating goods serve as a social symbol underlines Douglas's view (46) that goods are needed for making visible and stable categories of culture.

In discussing choice of goods, Douglas (47) suggests this is based on certain patterns of discrimination, arranged in visitas and hierarchies in the human mind. She (48) goes on to suggest that the individual within the available time and space, uses consumption to say something about himself, his family, his locality. This is supported by Goffman (49) who suggests:

"The life style of an individual, including the consumption of goods, is the presentation of 'self'."

Hewitt (50) suggests the self concept is developed by the individual in the course of his socialisation.

Douglas (51) suggests goods are used for marking in the sense of classifying categories and (52) they are endowed with value by agreement of fellow consumers. Consumers come together to grade events, upholding old judgements or reversing them. Each person is a source of judgements and a subject of judgements; each individual is in the classification scheme whose discrimination he is helping to establish.

The kind of worth, she suggests (53) is constructed from commodities that are chosen from their fitness to make the events in an appropriately graded scale. Goods perish or are consumed, but this is a small part of the total consumption process. Each item is perceived as an instalment, a part of a flow of making tape that goes into the construction of a classification system.

Douglas (54) suggests that goods are goods in virtue of being specialised for certain activities; generally a culturally agreed scale ranks goods for any purpose; and the only freedom from the cultural constraint which an
individual enjoys when choosing consumption goods is the scope for varying the quality within the range of his income.

An illustration of this culturally agreed scale is given by Thomas (55). He indicates that first class service customers are apparently buying status, not personal service and is therefore often based on value rather than cost. This links with the assumptions challenged in Chapter 2 that service is related to a high degree of personal contact.

This dual role of the consumption of goods in providing subsistence and in drawing lines of social relationships and indicating the margin where there is scope for varying the quality illustrates the need to understand the significance of consumption of particular goods and services when concerned with qualitative aspects. It also indicates the need for any definition of quality to provide for reflecting social relationships as well as fitness for use.

3.4 COMPLEXITY OF QUALITY

The dimensions of fitness for use, reliability, aesthetics and design, and 'social symbol', suggest that the concept of quality is more complex then is generally assumed. A number of definitions of quality illustrate this complexity.

"Today quality is defined as the combination of characteristics of a product or service which determines its aptitude for use according to its purpose" (56).

"... that combination of product attributes - real or imagined - which are held to be the most important in the opinion of the consumer in arriving at a subjective assessment of product worth" (57).
As well as restating some of the elements given in other definitions, these definitions underline that quality can be made up of many characteristics. A failure to identify or maintain any one critical characteristic to the user can effect the 'perceived quality' of a product or service as a whole.

Sasser et al (58) in discussing quality of service further emphasises the complexity:

"The service level is the consumer's perception of the quality of the service. It is a complex bundle of explicit and implicit attributes that attempts to satisfy the needs of a consumer (typical of a market segment). These attributes include the substantive service and a variety of peripheral services."

Mason (59) in another statement gives further insight into the complexity of quality.

"Consumer and manufacturer may have particular and quite separate definitions of 'product quality'. Quality for both is a generic term - an amalgam of product attributes to which some value is attached. Differences may arise because each has a different 'set' of product attributes which they believe, taken together reflect product quality. Should the attribute 'sets' match exactly, differences in quality assessment may still occur due to variations in the relative weight each attaches to the various independent product attributes. Particularly product features may appear more important in the consumer's eyes than in the manufacturer's and vice versa."

This emphasises that quality, as well as service already discussed, is perceived in different ways. Even with this complexity in manufacturing, quality is assumed to be concerned with the attributes of output. However, in a number of fields particularly those concerned with service, quality is often judged on inputs. Indeed it has been argued that it is not possible in many situations to make judgements on output.

The difficulties of establishing outputs for public services are touched upon by Anderson (60), who questions
the validity of establishing outputs such as the number of books borrowed or examinations passed. She then goes on to suggest that outputs may not be an appropriate measure. It is possible that the actual outputs set were inappropriate.

In the health service, quality of care is often judged on structure or process. For example, comparisons are made in plant, equipment or expertise and the acceptance of professional standards and procedures. More recently the idea of making judgements on the outcome of medical care are revealed by the indices of effect of therapies has evolved. More recently the concept of social responsibility has also been developed. This not only involves the level of quality and standards accepted by the community (eg length of waiting lists, provision for the chronic sick) but also the activity of caring for the patient. The assessment of the effect of therapies and care are much more difficult than the measurement of structure and process but they are outputs rather than inputs (61).

Perrow (62) widens the argument when he suggests a perspective where ill people should be regarded as a basic material to be altered by the work of the hospital organisation. A systems approach which uses energy (given up by humans and human devices) in a patterned, directed effort to alter the condition of basic materials in a predetermined manner. This perspective embraces both input and output.

Adam et al (63) with a similar perspective have developed a model where a demand for service is perceived as raw throughput and service items output as converted throughput following a conversion process. Christopher et al (64) also see service as a processing system but further as a communication network as the process is an interorganisational system linking supplier and customer together. This links closely with the dimension of information.
The dimension of reliability already referred to acted as a pointer to seeing quality as a process and it was concerned with maintaining fitness for use over periods of time.

Clues were also available in the field of aesthetics as Stolnitz (65) suggests aesthetics is not an end-product but a process of inquiry. Fry (66) in discussing what one actually sees also indicated that one is never really a spectator of events but an actor engaged in the drama.

Shaw (67) suggests quality must be judged by the customers perception and measured in terms of level of customer satisfaction. He (68) also stresses that people and organisations want to deal with suppliers of services who deliver frustration free satisfaction.

Sasser et al (69) give further insight into these perceptions as applied to service in the following statement:

"The problem is matching management and consumer perceptions of what the service concept and service level are and should be. This problem can be approached from two directions. The first is to understand what consumer perceptions and expectations are by constantly seeking feedback from the consumer. The second is to shape consumer perceptions and expectations to those which the service concept is expected to appeal. This is often done through advertising. The advertising campaigns, 'Have it your way' and 'We do it all for you', of two competing fast-food chains were attempts to soften the consumer's image that the chains' products were standardised and bland by promoting an image of a more individualised service level."

Daltas (70) stresses that the quality of service the consumers receive is likely to be the key determinant of their willingness to use the service again, rather than the advertising promises.

Travis (71) in discussing the 'tourist experience' also underlines the importance of matching the experience with expectations:
"Marketed images of places, of history, of culture, of climate, of mood, of associations, of social opportunities, raise expectations because a major annual holiday is an expected climatic experience – in terms of hoped-for quality of time, of place and of experience.

When the reality of the holiday experience proves to be one of an overcrowded, ill-managed, non-interpreted and noisy place, the letdown is especially great. The lack of integrity of the marketed ‘tourist product’ can rebound on the seller of that service – short term 'rip-offs' act against soundly based long-term tourist industry interests".

From this it appears that any definition of quality particularly applied in the context of service is to allow for the concept that one dimension of quality is that of a process aimed at matching the experience with expectations in order to lead to satisfaction.

Jefferson (72) when considering satisfaction in tourism draws attention to the way in which a ripple effect can be created by one dissatisfied customer. Not only can a bad experience affect the visitor’s view of the whole trip, but it can be relayed to friends and relatives.

Attoff (73) also discusses the effect of a part of an experience on satisfaction with the whole experience in the following extract:

"When a service company is facing some kind of economic pressure it very easily gets into a vicious circle of the kind described below. The company starts reducing service a little. On a flight this could be done by accepting longer checking in lines or cutting down on food. This may lead to more or less marginal cost savings but the consumer’s feeling of what kind of quality he receives (because of those minor service reductions) may undergo a dramatic change. The total quality received can very rapidly deteriorate. The effect is that the customer becomes unhappy or perhaps sour, which leads to a worse social climate in the aeroplane and at the checking in. This in turn leads to less enthusiasm and motivation among the service staff, and so it reinforces the negative perception by the client and reduces his own 'production contribution' to quality. It is easy to see how a vicious circle through various reinforcement affects efforts in a downward spiral."
Another airline may, from the same point of view, draw quite different conclusions and instead - perhaps at a very low cost - increase quality on its availability system as a whole. This leads to surprised and satisfied customers, a positive social climate and a good spirit as well as reinforced positive quality perception and so on. The staff gets a feeling of having achieved something and of being appreciated.

One way of solving the problem could be this: to go for real quality both on the core service and the availability system ......

A possible explanation as to why vicious circles so easily come about is that the psychological perception of the service level (which is lower than expected) by a customer often is very strong. A certain quality often is taken for granted, and every deviation is noted and of great importance ....

But the perception can also spontaneously be equally strong in the other direction when the client receives a little more than he had expected or thinks that he could expect."

This extract not only points to the need to understand complexity of the process of the total experience but also the relative importance of its components which contribute to consumer satisfaction, and the early experiences whilst consuming a service can have positive or negative effects on later experiences.

It appears that the following conclusions can be drawn from examining the complexity of quality. First, that each individual has their own perception of quality of each product or service which is made up of a unique combination of characteristics and weighting of these characteristics concerned with fitness for use, reliability, aesthetics and design, and social symbol. Second, that these perceptions when applied to a service lead to a series of expectations during the consumption of such a service, which can be influenced positively or negatively by the experience when consuming the service. Third, although expectations are unique because they are socially conditioned, there is likely to be considerable commonality between the expectations of consumers in a market segment.
From the providers view it appears that the perceptions of the consumers' expectations are often wrong and that to have any chance of giving satisfaction, there is a need to determine the guests' expectations. Then to determine whether these can be met by the organisation and generate an appropriate return in which case they can be offered. If not, the organisation can either decide not to provide the service or assess whether the consumer would be willing to alter their expectations to something which can be provided.

The management's role is then to offer services which will meet the consumers' expectations by a matching function while the service is being consumed and which includes some form of mechanism for taking action wherever satisfaction is not being achieved. This will lead to increasing the amount of repeat business.

3.5 INFORMATION

The Sales of Goods Act (74) focuses attention on information by indicating that goods must conform with their description. Buick (75) also draws attention to the fact that:

"Several aspects of quality are, however, controlled by legislation; for example, the incorrect naming of dishes or indeed ingredients on the menu can result in litigation under the Trade Description Act or civil action for misrepresentation."

Campbell Smith (76) also stresses the need for prior knowledge of what to expect before purchasing a service for the first time. In contrast much of the marketing literature gives the impression that the knowledge of those with expectations concerning a product or service have a wide understanding of the characteristics that they require and what is available to meet those requirements.
Boring et al (77) suggest this is not the case.

"Conventional demand theory endows the consumer with a vast amount of information. The consumer is held knowledgeable of the combination of attributes that comprise a product or service. Further, he is aware of the product - price alternatives available to him, has well defined tastes and can determine his marginal rate of substitution for each product from the other possible alternative products involved in a particular decision.

The real-world consumer is not so fortunate. Many of his purchase decisions are made with a lack of information concerning some of the options available to him and a considerable amount of uncertainty about the attributes of the products or services of which he is aware. He does not have all the information provided his theoretical brother, and search costs are frequently such as to make it uneconomic for him to obtain it".

Mason (78) suggests principal factors working against the consumer's ability to judge quality are:

- inadequate overall information on companies and products;
- uncertainty about the criteria that should be used to evaluate quality;
- uncertainty about the information held on each criterion;
- uncertainty about the predictive value of each criterion.

Mason (79) then goes on to discuss the practice of the consumer to compromise by singling out secondary indicators or quality predictors as a guide. Price, brand and image are given as examples, and these are now examined.

3.5.1 Price

Rogers (80) examining price information in hotels based on a survey of industrial practice confirmed that in the hotel industry price is taken by the customer as an indicator of quality. It is not clear whether Rogers is using the word quality as a social symbol or that a higher price can be an indicator of reliability of competing
services for a particular purpose in a particular market segment. Nevertheless, it underlines three issues which relate to price, price as a form of evidence of the probable reliability of a particular service, price as a social symbol and the concept of value for money for the bundle of attributes of a particular service.

Sabolo (81) in suggesting that the quality of service is taken into account only in terms of price, also points to the difficulties of relating price and quality and the need to understand the nature of quality which is being related to price:

"Thus the fee for consulting a general practitioner is lower than the fee for consulting a specialist because the consumer attributes to the latter a higher degree of productivity. Yet the converse, as has been seen, does not hold good: for a given price, the quality of a service is far from being the same among all the producers of that service. In the case of the production of goods, differences of quality at equal prices are generally quite small. As has been emphasised in this study, this is not the case with production of services, the non-quantifiable elements of which play an important role".

Christopher et al (82) helps to clarify the issue of value for a service bundle when he suggests:

"Within an industry, there may be a differentiation among many classes of customers with combinations of service variables. Frequently equated against price".

Mason (83) states that price plays the most important role as a quality index when there is a significant lack of product or company information available to the consumer, ie no previous purchase experience (and hence no real knowledge of the product or product type), no recognised criteria (other than price) against which to measure quality and no satisfactory knowledge of the companies offering competing brands in so far as their reputation and reliability are concerned.
Gabor and Grainger (84) appear to have developed the theory that consumers use price as an arbiter of product quality. This finding has been supported by a number of studies; although in some of these studies price was the only 'cue' present. In studies which have involved other 'cues' Wheatley and Chiu (85) indicate that in some studies price remains dominant but that in others it may become insignificant in its impact in quality perception. Munroe (86) in a review of 76 studies suggests that the findings are mixed and concludes that a positive relationship does exist at least in some ranges of prices in some product categories.

Engel et al (87) conclude that a positive price-quality relationship is most probably under the following conditions:

- when the consumer has confidence in price as a predictor of quality;
- when there are real and perceived quality variations within brands;
- when quality is difficult to judge in other ways, especially when there is no quality-connoting criteria such as brand name or store location

Mason (88) also suggests the following conditions:

- the cost consequence of a bad purchase decision are great;
- the choice of the product make or brand has a socio-economic significance in the eyes of the buyer (reflects achieved socio-economic status or mirror such aspirations of buyer).

Mason (89) also suggests when assessing products the consumer goes through the following steps:

"Firstly, the consumer assesses the lowest (minimum possible quality) and the highest (maximum possible quality) prices for the product. Having fixed these limits and evaluated quality associations across the product price level, the consumer then fixes further upper and lower price limits to determine that part of the total band within which he will make his purchase decision. (The actual point in the price scale of which the purchase is made represents the consumer's optimal 'trade off'"
between price and quality). The second upper price limit - the highest acceptable price - represents the maximum that the consumer is prepared to pay, regardless of how much better product quality is assumed to be above this price. With no real expenditure constraint, it can also represent that price about which the consumer feels no marginal improvement in product quality is possible and will, in this instance be identical to the highest (maximum possible quality) price ie the buyer is 'quality maximising'. At the other end of the scale below which the consumer would suggest that his minimum quality requirements could not be met. Again, under conditions of severe expenditure constraints, the buyer will 'price minimise' and the lowest acceptable price will, in fact, be the lowest price offered, regardless of quality and identical with lowest (minimum possible quality) price".

Mason (90) suggests that price quality associations may be different both in terms of what in fact constitutes lowest-quality and highest-quality prices and the nature of the relationship across the entire price scale. Failure to recognise the distinction between these different concepts of products quality, he suggests, can lead to wrong decisions on product pricing, for example, the selection of a price at which manufacturers quality rating is lower than that expected by the customer.

Shaw (91) reminds us of a related factor that because of high inflation our values and expectations are distorted proportionately.

Mason (92) also suggests:

"The consumer at any point in time has a given quality rating for a product offered at a specific price. However, over time the consumer is prepared to reassess that price at which he believes given quality should be made available. Brand quality assessment will remain unaffected if prices introduced .... are believed to be 'fully justified' by the consumer. When price changes are to some degree suspect, then quality reassessment takes place".

Mason's approach assumes that just as a scale exists from minimum to maximum price there is a single scale of minimum to maximum possible quality. It is suggested
that such a scale may not exist except in so far as the consumer relates price with quality.

Wheatley and Chiu (93) state it should be remembered that research into the connection between price and quality concerns quality perceptions and not buying behaviour. The fact that a consumer links price with product quality does not mean that his or her purchase behaviour will be influenced in the same degree. Higher prices, Wheatley and Chiu suggest, have a denotative meaning and will have a tendency to repel persons with limited resources as well as to attract because of their apparent connotative on quality implications.

Wheatley and Chiu (94) stress that when a large number of cues to assess quality are present, say a dozen or more, the effects of a single cue such as price might be either enhanced or diminished because of informational overload. All of these point to a need for a further understanding of the combinations of indicators that may predict quality.

Mason (95) suggests that in the final analysis quality evaluation will always depend on the emphasis placed by the consumer in each of these factors (economic, sociological and psychological) and on the interaction of their separate influences. Mason (96) also indicates that no attempt has been made to investigate the more complex relationship between price and quality and the demand for a particular product or product group.

It seems likely that price is used as an indicator by all or some classes of customers to differentiate between the combinations of service elements both tangible and intangible that are available in the service provided in the market place. Further to determine the relative value of these services. In some cases price could be an indicator of the significance of a service as a
'social symbol'. It seems unlikely that price is used as an indicator of reliability. These are assumptions and as implied by Mason, there is a need for further research into the relationship between price and quality, particularly for services.

3.5.2 Brand, and company identity

Brand (97) is defined as a name, term, sign, symbol, or design or a combination of them which is interested to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Kotler suggests that there are at least four purposes for doing this: identification purposes; patents to protect from imitation; connote a certain quality and an opportunity to endear product with unique story.

Baker (98) argues that branding is similar to the mandatory practice of craftsmen identifying their work under the guild system to protect customers and to ensure that shoddy workmanship could be traced back to its organisation. Hallmarks, similarly, were an indicator of origin but also a guarantee of purity.

Barker and Ebbs (99) suggest that the aim of a brand is to provide a competitive lead and barrier to competition; this involves developing and maintaining a set of attributes which are likely to end up dominating the market. Johnson (100) suggests that branding, brand development and brand acceptance are not prominent in the marketing of services and suggest the service company's reputation is more important.

Much work has been carried out into brand loyalty but little reference to the relationship between brand and quality. Sheth and Venkateeann (101) suggest that 'perceived risk' is a necessary condition for the development of brand loyalty.
Engel (102) suggests that the research has been oversimplified and that more investigation is required into why customers are loyal. This may be based on the psychological commitment to a brand or that the product attribute(s) has led consumers to become loyal.

Markham (103) suggests that brand loyalty has been weakened by three main factors:
- streams of new products with separate names and identities;
- look alike packaging;
- competitive price incentive levels
and this has brought about a need for strong identity. Markham (104) suggests that identity is how one identifies oneself and image is a reflection of personality. Markham (105) also suggests the company rests on whether the personality expressed by the goods is acceptable to the marketplace.

Image is associated with both product and company identity. Firth (106) suggests that image is concerned primarily with forming a mental entity, giving shape in the 'minute's eye' to a set of qualities perceived in or attributed to the object. Joyce (107) defines image as the set of associations which the product has acquired for the individual. Doswell and Gamble (108) stress that although the image is the most abstract part of the product it can also be the most important. The image is, they suggest, the set of feelings and beliefs that an individual associates with it, it is built up over a period of time on the basis of real or imaginary experiences and it may or not be 'true' in the objective sense. Shostack (109) suggests image is a method of differentiating and representing an entity to its market.

Frequent references are made in the literature to a small number of companies whose products and services are
associated with quality. Two examples, for each of two companies which were the most frequently referred to, are given below:

"A prime practitioner of the marketing concept is McDonalds. This organisation is successful because it determined through research what the customers wanted in the way of fast-food product and service and adapted the organisation to delivering them efficiently" (110).

"The elaborate care with which an automobile is designed and an assembly line is structured and controlled is what produces quality at low prices, and with surprising reliability considering the sheer volume of output. The same is true of McDonalds."

"the retail chain store, Marks and Spencers, began years ago to develop techniques for use by their suppliers of apparel which established rigorous standards of quality control" (112).

"Berni is the Marks and Spencers of the catering industry" (113).

The consumers confidence in the product and services of these companies mean that the consumer is often prepared to pay a premium, and to try new products and services with confidence. Some companies have an image which lacks consumer confidence and this has an adverse effect on the users perception of quality.

It appears that the practice of differentiating services by branding is not well developed, and where it exists its main purpose is limited to identification of the attributes of a service rather than as an indication of all aspects of quality (i.e. fitness for use, reliability, aesthetics and design, and 'social symbol'). On the other hand it appears that a service company's overall reputation can be closely associated with quality.

Price, brand and company identity can all act as predictors of quality. This prediction can be giving information concerning its utility, its reliability, its design or 'social symbol'.
It appears that price and brand can be used to differentiate the combinations of service offered, company identity can be used as predictors of reliability, and price, brand and company identity can be used as a social symbol. Where a company is involved in a wide range of market segments with conflicting social symbols only price and brand will act as an indicator of this dimension.

Standards are another indicator of quality and these are examined following the section on measurement and assessment. A number of classifications of information on standards concerning service appear to confuse characteristics reflecting utility, reliability or 'social symbol'.

3.6 ASSESSMENT AND MEASUREMENT

3.6.1 Introduction

The dictionary definition of quality 'relative nature' implies discrimination (114). Castillo's (115) definition of quality draws attention to the same dimension. Gombrich (116) suggests we discriminate when our action is aroused by some disequilibrium in a difference between our expectations and an incoming message, for example we cannot take in all we see in a room but we notice if something is changed. He suggests all culture and all communications depend upon the interplay between expectations and observations.

The mind employs models of how things of varying kinds are expected to look a 'mental set' (117). The nature of this interplay is illustrated by Gombrich (118).

"If somebody arrives at the office we may be set to hear them say 'Good Morning' and the fulfilment of our expectations is hardly registered. If he fails to say 'Good Morning' we may, on occasions, adjust our mental set and watch for symptoms of rudeness or hostility".
Christopher et al (119) appear to support this when discussing assessment and measurement of service:

"In a sense evaluation is asymmetric; service which meets expectations is taken for granted, service which is bad forms an impression".

Thomas's (120) description of perception gives a useful insight into how the mind responds.

"Perception is the active but often unrecognised organisation of the senses; it is the process whereby meaning is given to the welter of signals arriving at the sense organs. It involves selection, since much of the information available to the senses goes unnoticed, and it also involves addition and synthesis as when a momentary glance at a partly visible familiar object leads to instant identification of the whole".

Stolnitz (121) similarly suggests the mind employs models of how things of various kinds are expected to look. In fact, the hold of the schema on the mind is so great that sometimes we 'see' just what we think we ought to see. On the other hand Stolnitz suggests nothing can be puzzling to us unless we already have some standard of what is familiar and predictable.

Adam et al (122) indicate that the discrimination of quality characteristics between expectations and observations can be either measurable or judgemental. Thomas (123) distinguishes between assessment and measurement and suggests that assessment is when a person relies on his memory and the set of internal standards which he has developed when discriminating objects or events. Measurement, is when an object is placed into juxtaposition with a reference standard or scale (for example, an instrument or gauge) which aids a person when estimating the differences (124). One is internal, the other external with an aid.

Adam et al (125) points out that some attributes are easily measurable (e.g. size, temperature) but other subjective
characteristics (eg taste, appeal) may only be judged by a person.

Further that some characteristics, such as colour, are measureable, but a judgementsal process may be used to avoid the high cost of precise measurements.

Thomas (126) suggests assessment and measurement are essentially an aid to communication - serving the social function of allowing a group of people to communicate effectively about certain events and objects.

By recording these assessments and measurements it is possible for this communication to take place after the event. He (127) further indicates that communicating effectively about objects or events requires simplification. Important aspects of the object or the event must be adequately specified; unimportant and irrelevant ones can be ignored.

3.6.2 Assessment

When assessment is being used to discriminate quality Thomas (128) reminds us that although two people looking at the same object may appear to be doing the same thing, are actually drawing on their own complex structure of experience and training. This difference only becomes obvious when they are presented with a difficult classifying test.

Other dimensions of quality - utility, reliability, design and aesthetics, and social symbol have already been examined and the assessment of these appear to be different. Tolstoy (129) suggests that the subtiest differences of appearance that have a utility value still continue to be appreciated, for example, ordinary eye seizing in the minute characteristics that distinguish margarine from butter, while large and important visual characters, provided they are useless for life, will remain unnoticed.
McDonald (130) suggests that judgements of artistic merit are immediate responses to certain emotional states conveyed by artists in their work which we know from experience and can reproduce imaginations in evaluating the work. Hume (131) suggests:

"A man, who has had no opportunity of comparing the different kinds of beauty, is totally unqualified to pronounce an opinion with regard to any object presented to him ......

Nothing tends further to increase and improve this talent than practice in a particular art, and the frequent survey or contemplation of a particular species of beauty" (132).

This concept of quality judgement does not recognise that quality is socially determined and encourages providers to assess quality according to their own values rather than those of the users.

Thomas (133) in a more practical way suggests:

"The internal standards of some experienced man, or group of people, becomes the reference by which other assessors of quality calibrate their own personal standards. The use of personal or group standards as a basis for calibrating people's assessment of quality raises problems of status, certainty, skill, prestige and responsibility. Such systems of calibration can be effective, and they are often necessary, but much care and attention is needed if they are to make a meaningful contribution to the control of Quality.

A person assessing the quality of products or materials without the aid of instruments or objective standards is faced with at least two kinds of human frailty. He can allow his internal standards to become uncalibrated and thus inaccurate, but even whilst he is properly calibrated he can still miss or wrongly classify articles which he would have no trouble in identifying if he were able to give them his full attention. Such intermittent errors may be attributed to fatigue, boredom or momentary inattention".

Thomas (134) suggests that there is a need for those responsible for assessment to learn a clear and sensible categorization of faults to withstand the working pressures generated by physical factors and social factors (135).
Sasser et al (137) in discussing how consumers make judgements suggest there are three models. They are:

1) One overpowering attribute;
2) Single attribute with threshold minimums for other attributes;
3) Weighted average of attributes.

This underlines the need to recognise in a particular situation which model a consumer is likely to use.

The following illustration by Hume (138) underlines this point.

"Two of my kinsmen were once called to give their opinion of a hogshead, which was supposed to be excellent, being old and of good vintage. One of them tastes it, considers it; and after mature reflection pronounces the wine to be good, were it not for a small taste of leather, which he perceived in it. The other, after using the same precautions, gives also his verdict in favour of the wine, but with the reserve of a taste of iron, which he could easily distinguish. You cannot imagine how much they were being ridiculed for their judgement. But who laughed in the end? On emptying the hogshead, there was found at the bottom an old key with a leather thong".

A concluding comment by McDonald (139) after discussion on the value and experience of critics is salutary:

"No critic even the best, is infallible and sometimes we may well be advised to trust our own judgement rather than that of any expert".

3.6.3 Measurement

Thomas (140) gives a useful description and the types of measurement that exist.

"The essence of effective measuring methods is to place the object to be measured into such juxtaposition with a reference standard or scale that the perceptual skill of the person doing the measuring is concentrated on estimating the difference between the object and the standard. The transferring of attention from the object or event as a whole to the difference is the first step
towards sensitivity. Selecting the standard most like the object being measured reduces the difference between them and further increases the sensitivity ....

In a simple measuring system the difference is presented in direct sensory terms: sounds are compared through the ear, differences in texture may be presented to the finger tips or to the eye. In simple systems the comparison is in the original terms but in more elaborate instruments the difference between the object and the standard may be subjected to a subsidiary measuring device ...." .

Thomas (141) suggests that there are two types of measuring system: one the fixed datum type (eg temperature measurement) and the other the relative or comparative type (eg length of measurement). Thomas (142) in discussing the information available in any particular situation suggests there are three kinds of information:
- those characteristics which are irrelevant;
- those characteristics which are relevant but assumed, by the group, to be of a certain kind unless specifically mentioned; and
- those characteristics about which explicit communication takes place.

Sabath (143) comments on:

"the tendency for firms to measure what is reassuring and easy to measure, rather than what is relevant, potentially difficult to measure and disturbing".

The 'iceberg' nature of specifications, the amount that is assumed but not mentioned becomes apparent only when two or more groups who have previously had 'private' measuring systems attempt to agree on a 'public' one, common to all. Thomas (144) maintains that the development of a measuring system consists of a search for basic standards which in the context of existing knowledge can be most reasonably assumed to remain unchanged when moved, and as time passes.
3.6.4 Standards

Adam et al.'s (145) definition of quality which focusses on assessment and measurement includes a reference to standards.

"Quality is the degree to which a product or service conforms to a set of predetermined standards related to the characteristics that determine its value in the market place and its performance of the function for which it was designed."

Dalziell (146) suggests there are two implications of standards:

"that someone, consciously or unconsciously, has an idea of what he expects as a level of performance, be it in quality, quantity, time, cost, method or customer approach".

"that he makes judgements, objectively or subjectively, as to whether this level is being reached and being maintained".

Based on these indications Dalziell (147) defines a standard as:

"The agreed basis against which performance is measured. A weight, measure, specification laid down - to which others must conform".

Teare (148) similarly defines a standard as:

"A standard is a defined base against which an article condition or performance may be measured by comparison".

Dalziell (149) suggests there are different types of standards and gives examples of three kinds:

"Job or operating standards - These are concerned with what needs to be done, how it is done and how well it should be done, how it is done and how well it should be done at all levels in an organisation; standards relating to qualifications;"
standards for training - standards relating to the way in which training is planned and carried out, rather than with the results themselves".

Nightingale (150) adopted the following classification of standards: consumer; operational; financial; personnel and legal. Operational standards are similar to the job or operating standards identified by Dalziell, the two other standards identified by Dalziell are examples of personnel standards.

In Nightingale's view it is the ambiguity caused by individuals not understanding that there are different kinds of standards that leads to much of the confusion concerning the improvement of standards.

Barker and Ebbs (151) define a standard in a rather different way:

"A standard can be defined as embodying the concepts of information, legitimacy, consensus and cost of changeover. A standard is a piece of information that describes one particular way of doing or making something. This way is more legitimate than other ways, even though it might not be the 'best' for all circumstances. This legitimacy is gained as a result of a consensus among those parties involved with the process of standardisation. This consensus can be obtained formally, as in the case of prior standardisation by a standards body, or informally through the mechanisms of the marketplace."

There are a number of bodies who act as a standards body. These include the voluntary registration scheme administered by the national and regional tourist boards, the motoring organisations, the Consumers' Association and a number of commercial publishing organisations. These bodies tend to base their classifications on the physical facilities that carry the service to the consumers, rather than the core of the service, which is on offer to the different market segments. Many providing the services are keen to gain recognition as the consumer
appears to interpret these classifications as an indicator of quality. For this reason they do influence trends in the provision of facilities.

Shamir (152) suggests some of the trends towards standardisation in the hotel industry are determined by the marketplace:

"As guests become more standardised and the technology more advanced hotels, hotel rooms, dishes, drinks and services become more standardised too. As guests become more numerous, as labour becomes more expensive and the technology more advanced there is less and less personal service in hotels and an increased reliance on self service and automatic service. In other words, the number of direct contacts between staff members and customers which were so difficult to control in the traditional hotel, is greatly reduced."

He (153) also draws attention to the trends on the size of hotels and hotel companies:

"Not only do hotels grow bigger but they are swallowed up by bigger chains and firms (A process that leads to further standardisation. The chains remove pressures from hotels to stress their uniqueness and apply pressures to conform to certain standards, since this standardisation is sold as a guarantee of quality.)"

Christopher et al (154) when discussing the setting of service levels or standards point out:

"There do not appear to be general rules about service levels, because every market is unique. Practices are tied to buying procedures, past history, the level of competition and how service is integrated into competitive actions".

Sasser (155) suggests that:

"Setting initial service levels is a process that should be approached with care. Though service levels can often be altered to some degree once the service is in operation, they often set the tone of the service in the customer's eyes ...."
Sasser et al (156) also argue:

"The service level is a measure of the levels of the explicit and implicit benefits provided to the consumer and is comparable to the quality level of a manufactured good in the sense that it specifies performance characteristics of the product ...."

and that

"Expected service levels are met by delivering those components of the service that the consumer perceives are important. When the perceived service level is combined with the price the perceived value is created ....".

Sasser (157) stresses that because of:

"The intangible nature of a service product coupled with the multifaceted nature (bundle of goods and services) of the service produce make measurement and, in some cases even specification, of service levels difficult and often impossible. However, the basic facilitating good may be objectively measured; for example, a hamburger may be defined as being made with a 4-ounce pure beef-patty with less than 30% fat by weight. Since standards of quality for facilitating goods are defineable and quantifiable, they are easier to measure and control than intangibles in the service concept."

Sasser et al (158) also suggest:

"Conceptualising and setting service levels - and understanding implied cost tradeoffs - is an important decision area. What's an adequate service level? It's a level of performance that will satisfy customers' needs or expectations of the service. A service manager must understand what 'satisfaction' really means to his or her customers and must translate performance into discernable service levels, whether or not they are easily quantifiable or subjective; for the many phases of the service production process. Some examples of areas that require service level decisions include: staffing, customer throughput, quality of facilitating goods such as food or beverages in a restaurant and length of wait for the service facility".
In a BTA report (159) it is suggested:

"Standards are not necessarily standard - they are different for different people. Standards are determined by what the market will accept and what the segments of the market will accept. Each market segment is made up of individuals."

Douglas (160) questions the point of a tendency to standardise. It seems likely, Douglas suggests, only to arise when close comparisons of value are required, where at the fringes of a market system where turnover is slower, where knowledge is incomplete, and big profits riskier, where discrepancies in standards pass.

The distinction made by Jeffries (161) between uniform needs and unique needs has been discussed in Chapter 2. Jeffries also points to the limitations of setting predetermined standards.

"I suggest that as well as measuring or setting standards of quality 'objectively', the enterprise can get the customer to do this on its behalf. There is a difference between checking that all coffee served at a conference is hot and not being satisfied until it is, and asking all delegates whether it is served at the right temperature and not being satisfied until they say it is. The quality standard is not set in terms of the things done but rather in terms of the customer's opinion of it. Such an approach must surely have potential where so much is intangible and difficult to observe - especially human interaction."

All of this illustrates the need to clarify the cluster of characteristics on which expectations of the customers of an experience are based and how the customers discriminate a satisfying experience. This customer opinion needs to be based on their internalised standards. The degree of commonality between the expectations will determine the degree of uniformity and choice that are required. The design and nature of the service process will determine the degree to which these standards need to become the
internalised standards of individuals providing the service or to be translated into external standards to be met by human or technical bearers of the service.

Different techniques are required for calibrating personnel with the internalised standards held by customers than those required for specifying externalised standards designed to meet the internalised standards of the customers. Most approaches will combine internalised and externalised standards and will require responsibilities for the following to be determined. Responsibilities for determining customers expectations, and what characteristics are worth judging, what scales should be used, by which measure or assessor, who should be responsible for the calibration and communication of customers expectations and judging the organisation required to meet them.

3.7 CONCLUSIONS ON THE NATURE OF QUALITY

From the examination of the literature on quality and related areas the following conclusions have been drawn.

First that each individual has their own unique perception of the quality of any service or product, and that this perception is made up of a number of characteristics given different weighting which can be classified under the following four headings: fitness for purpose; reliability, aesthetics and design, and social symbol. The first two are concerned with utility and the second two with drawing lines of social relationships. All appear to be socially determined.

Expectations before consumption of a product or service are based on these perceptions and perceptions can change particularly when consuming a product or service.
Because consumers are unable to assess products and services before they are consumed, consumers select indicators of the expected quality of products and services. In service industries these indicators appear to be price, company image and quasi official and private classifications.

Providers perceptions of quality are often based on wrong assumptions about what the customer believes to be important.

The assessment of quality by consumers is based on internalised standards and that the provider needs to determine effective ways of determining what these standards are and then the best way of meeting these standards. This may involve building standards into the service system and calibrating human bearers of the service to understand the internalised standards of the consumer.

These conclusions have influenced the definition of quality used during the research. During the early stages of the research the following working definition was adopted:

Quality is a dynamic personal construct of values and expectations against which an individual assesses the predictors and characteristics of a product or service.

This was amended, to include purpose, to the following: Quality of a product or service is a combination of predictors and characteristics, on which an individual assesses the appropriateness for a particular purpose, against his or her own set of values.

The combination of characteristics drawn on by the individual can be concerned with one or more of the following dimensions: use; reliability; aesthetics and design; and social symbol. The individuals can include
potential users; users; designers; providers and any others with knowledge of or interest in a product or service.

Potter (162) in discussing the amended definition as applied to tourism, suggests it has much to recommend it in that it recognises that different people want different things from the tourist industry, and underlines the role of information which the tourist industry must supply if it is to satisfy its customers. Potter suggests, however, that the definition does not recognise explicitly that there are certain standards of quality below which a product or a service must not fall if consumer confidence is to be maintained. She points out the law states that goods must be of merchantable quality and argues that the tourist industry should recognise that consumers must be able to accept minimum standards.

Nightingale (163) argues that minimum standards like the terms 'high standards' and 'falling standards' can be misleading terms. The reason is that they imply that by producing something additional the standard would be improved. Nightingale argues a standard either conforms with the expectations of the user each time the product or service is used, or it does not.

On reflection it is clear that there are differences of degree in customer satisfaction and that there are for many groups of individuals a number of key characteristics that if present will have a significant effect on whether a product or service gives satisfaction.

It is accepted that a combination of characteristics may be considered essential by a group of individuals if the product is to be acceptable, and that these can be described as core or key quality standards for that group rather than minimum standards.
Quality of a product or service is a combination of predictors and characteristics, on which an individual assesses whether it will give satisfaction each time it is used for a particular purpose, based on his or her own set of values.

A quality standard is a combination of characteristics for a product or service accepted by consensus by a group of individuals as being appropriate to provide satisfaction for a particular purpose.
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CHAPTER 4  QUALITY HOSPITALITY SERVICES

4.1  INTRODUCTION

The previous chapters have examined the nature of service and the nature of quality. This chapter co-ordinates the findings of these chapters and evolves an approach to determine how quality hospitality service expected by customers can be defined.

The relationships between definitions and the dimensions of service and quality are first examined. This is followed by an examination of different approaches to defining what an hotel and catering enterprise offers to the consumer and the approach adopted for the research.

4.2  THE RELATIONSHIPS BETWEEN DEFINITIONS AND DIMENSIONS OF SERVICES AND QUALITY

The ambiguity and complexity of the meanings of service and quality and the need for establishing working definitions have been explained in the previous chapters. Bringing together these definitions is helpful in understanding their nature and relationship.

Service - A service is something with an intangible core that is viewed as capable of satisfying a want.

Customer service - The set of activities offered by an organisation to enable the customer to interact with it at all stages in the consumption of an offering.

Quality - Quality of a product or service is a combination of predictors and characteristics, on which an individual assesses satisfaction or likely satisfaction each time it is used or considered for a particular purpose, based on his or her own set of values.
Quality standard - A quality standard is a combination of characteristics for a product or service accepted by consensus by a group of individuals as being appropriate to provide satisfaction for a particular purpose.

These definitions illustrate that service is concerned with the core of the offering, customer service is concerned with the interaction or matching function between user and provider and quality is concerned with the characteristics of the core offering and its surround including customer service, and a quality standard is a consensus of a group of individuals on the characteristics of a service.

The dimensions of service and quality have been identified in the previous chapters as follows:

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<td>intangible dominance</td>
<td>fitness for use</td>
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<td>accessibility</td>
<td>reliability</td>
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<td>inseparability</td>
<td>aesthetics and design</td>
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<td>social contact</td>
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<td>flexibility</td>
<td>complexity</td>
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<td>uniformity</td>
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The interrelationship of the dimensions of service and of the dimensions of quality have already been explored. A number of cross references are made in the previous chapters point to links between dimensions of service and dimensions of quality. A number of other examples of links between dimensions are given below illustrating how the dimensions are interrelated.

Accessibility - a dimension of service links with fitness for use and reliability - dimensions of quality. Indeed some of the elements of these dimensions are common for example, time.
The similarity of social contact and 'social symbol' is another example, although it is probable that in some cases a 'social symbol' may not imply social contact whilst a service is being consumed but act as a tangible marker (e.g., stars or price), which may be used as a symbol to others after consumption.

The complexity dimension of quality is further complicated when interlinked with dimensions of service. The intangible dominant dimension provides a framework for coping with this complexity. There are also close links between the service dimensions of intangible dominance, flexibility and uniformity— and the two aspects of measurement and assessment—dimensions of quality.

A strong argument for describing a service experientially is made in Chapter 2 and in Chapter 3 it is argued that that process is a dimension of quality. A customer experience is very similar to the concept of a process of a customer with expectations becoming a satisfied or dissatisfied consumer.

These close links between service and quality lead the researcher to draw the following conclusions on the nature of the quality of service:

1) Perceptions are individual, unique but socially determined.

2) A service is perceived as an experience made up of an intangible core (purpose) and a surround of selected tangible and intangible characteristics which are capable of giving satisfaction. Characteristics concern fitness for use and reliability including accessibility (time of opening, timing—pre-recognition, waiting to order, waiting for service); assurance (safety and security of person and
belongings, confidence, putting things right mechanisms) and design and social symbol including social contact (care, hospitality and welcome).

3) As perceptions are socially determined there is considerable commonality of perceptions of groups of individuals and where consensus exists appropriate uniform standards may be offered. Any remaining unique needs require flexible arrangements to provide the necessary resources.

4) Consumers interact with technical and human bearers of information, advice, service and putting things right mechanisms before, during and after consumption.

5) Consumer assessment prior to consumption is based on previous experience or indicators (price, brand, company image and standard classification).

6) Consumer assessment during consumption of experience is based on sequential differentiation between experience and expectations.

In the early stages of the research before the complexity of the nature of the quality of service was understood, attempts were made to propose a classification for defining hospitality experiences. These are now examined and followed by an examination of how an alternative approach evolved as the nature and complexity of the quality of hospitality services became better understood.

4.3 DESCRIPTIONS OF HOSPITALITY OFFERINGS

4.3.1 A standards approach

Traditionally the descriptions of hospitality offerings have been implied and been recognised by the consensus of users and providers. More recently there has been a move to make these more explicit. Explicit standards are expressed in a number of ways. Buick (1) suggests specifying products and states:
"A product specification includes at least a description of the product/dish and the quality factors it should possess. It may also detail the range covered, any special processing precautions and the measurement methodology."

This is the approach used for manufacturing industries and may be useful for tangible elements of an intangible dominant offering as long as it is recognised that there is the danger of changing the focus from the important to the less important parts of the offering.

A simplified approach advocated by Dean (2) is to identify the basic requirements of an offering wherever it is offered for example for the service of coffee:

"1) The coffee must taste like coffee.
2) The liquid must be in clean utensils.
3) The liquid must be hot."

and then depending on the catering objectives to add further standards appropriate to the establishment.

Dean (3) goes on to suggest that specific standards are required to define procedures for example: dealing with complaints; greeting; seating; menu presentation; bill presentation and payment; maximum delay periods between ordering and arrival of first course. These activities described by Dean as procedures are in fact parts of the experience that are consumed.

Dean (4) advocates management should set standards so as to make explicit to those whose job it is to see performance complies, and then check these standards in a formal way. He also recognises that to cover every conceivable permutation is unnecessary and impossible in most catering establishments.
Difficulty has been expressed in trying to define intangible services by specifying the tangible elements and the procedures designed to provide the intangible service in a way that ensures guest satisfaction. Guest satisfaction is when expectations of the experience are met by the actual experience. This underlines the need to find ways of describing the experience, and a number of ways of doing this are now examined.

4.3.2 Hospitality experiences

Coffman (5) gives an example of a hospitality experience when he suggests that the core of the guests' needs and wants from the accommodation business is that he wants a comfortable night's lodging - a temporary home. He then indicates the key components of this: sleep and rest (clean comfortable bed and, peace and quiet); basic facilities of a bathroom and food and lodging.

Wood (6) suggests a hotel product falls into two distinct parts:

"In my view as a guest there are two separate elements to the hotel product and only one is directly related to the tariff I am charged. This, of course, is the standard of the physical facilities.

The problems arise with the second element in the product which I call the care and hospitality factor. No matter what tariff I am charged I expect there to be evidence of welcome and care over my wellbeing. Obviously the way in which this hospitality is expressed will vary according to the price level".

This description emphasises that a service is composed of both tangible and intangible elements and assumes that these fall into separate classifications, the discussion on the nature of service suggests this may be a rather misleading approach.
Shamir (7) suggests that the demand for a lodging experience is becoming more standardised:

"First we have to note that travel and vacations are popularised, increasing numbers of people use hotels, and staying in hotels is no longer confined to the higher classes. In addition to the greater popularity of hotels, there are general cultural trends towards greater uniformity in people's tastes in many spheres of life which affect their expectations during their stay. In other words, hotels' main input becomes more homogenous. Furthermore, hotels' clientele tend to be dominated more and more by groups. This is an important stabilising factor".

Shamir's proposition has to be viewed with caution. It is probable that for each market segment there is a trend towards greater uniformity of tastes. However, other trends of more classes using hotels and the fact that hotels are used for an increasing number of purposes probably generates another trend towards greater heterogeneity. This points to the need for organisations to be aware of these trends in their own establishments.

Campbell-Smith (8) when discussing the other major service offered by the hospitality industry suggests that the core of a meal is to provide for a fundamental human need to restore the body and the mind from time to time by consuming food and drink, and by resting physically and mentally. These activities, he states, are normally combined with the emphasis on combination, will vary according to the mood, the time available and other circumstances in which the need arises.

Coffman's and Campbell-Smith's descriptions identify the core in a way that fits into Shostack's model (9) of the intangible dominant service described in experiential terms. It also identifies two of the different major offerings provided by the hospitality industry 'the meal experience' and 'the lodging experience'.
Campbell-Smith (10) although identifying the core then suggests the meal experience can be divided under two main headings:

the living experience;
a meal experience.

This distinction may be useful in focussing the providers attention to consider both elements but can be misleading as it implies that there are two separate experiences where in fact there is one experience and in different circumstances the core could be the meal itself or part of the living experience (eg roof top restaurant).

Dean (11) implies a similar form of classification for a meal broken down into more parts: the foods; the drinks; the service; the decor, ambience, furnishings and fittings.

Sasser et al (12) suggest a more sophisticated but similar classification when proposing that the goods and services offered at an expensive restaurant fall into three distinct bundles: physical items (food, drinks, other materials such as matches, napkins, etc); sensual benefits (taste and aroma, waiter service, structural atmosphere, the sight and sound of the facility, social atmosphere, the sight and sound of the people); and psychological benefits (comfort, status, sense of well being).

These classifications although including many of the characteristics associated with a meal do not seem to provide a description which captures the concept of an experience over a period of time.

The following statements introduce the idea that experiences can be described sequentially before identifying the characteristics of the experience:
"...... the meal experience begins on crossing the threshold of the establishment" (13).

"On entering a restaurant apart from wondering where to put his coat or any other accessories, the customers first concern is to decide where he is going to sit" (14).

"...... a meal has to be chosen and consumed in various stages or courses; a bill would be presented and payment made and finally costs or accessories will be collected before departing from the establishment" (15).

When the whole experience of an individual has to be broken down sequentially, it is then possible to identify and clarify their priority to the consumer and the important characteristics of each component, many of which could apply to several components.

Studies of the sequences of the meal and lodging experiences have identified many of the dimensions and characteristics already identified when exploring the nature of service and quality, and these are now examined in some detail.

Campbell-Smith (16) stresses that the service given should be appropriate to the customer's expectations and that there is a need for a description of the experience offered which mirrors this. He (17) further points out that assumptions on expectations should not be made, as for example research showed that contrary to an assumption made people did not want different kinds of food when eating out.

Doswell (18) suggests that:

"the past experiences which people have had in hotels with their corresponding associations may have a lasting influence upon their preferences and buying decisions".

This points to the need to design an offering to meet expectations and then to communicate this information prior to and during the experience (19).
Not only information concerning the meal but also whether reservations are necessary and how they are to be made (20). Reference to information and availability have already been stressed and Campbell-Smith (21) gives further examples of the information required for a meal experience:

"The instructions in a restaurant are the menu, the wine list and the seating plan and these should where necessary, contain descriptions and guidance".

He also refers to personal advice and help when discussing the degree of help required by the customer (22). He suggests that this differs according to the length of the menu and the degree the customer wishes to do things for themselves and suggests this relates to occupational scale. It is also likely to be dependent upon the purpose of the occasion and the importance of the mark of 'social symbol'.

In examining the sequence of the meal experience Campbell Smith (23) suggests that different courses have different objectives and if this is the case there is a need to understand what these are. This would help to determine the relative importance of characteristics associated with serving food including: aroma; flavour (24); texture (25); temperature (26).

The time between courses can also be important. Campbell Smith (27) distinguishes between waiting time which is voluntary on the part of the customer and involuntary waiting - the time taken for someone to appear and take the order and the time taken to deliver each dish. This links closely with the dimensions of availability and reliability.

This underlines how a sequential approach to the experience identifies those periods of time which could be missed by other kinds of classification.
It is important to include in the sequence of activities that a guest will experience such steps as entering a room or going to a table as there is a need to recognise the characteristics concerning the setting are also identified.

Doswell (28) draws attention not only to the colour, texture, form, space and view of the experiential environment but also the the physical comfort offered by lighting, heating and ventilating. He suggests (29) that physiological needs include such details as comfortable chairs, the availability of tooth picks and means of cleaning hands and fingers. Some of the more tangible elements being indicators or bearers of the wish to satisfy some of the more intangible needs.

Campbell Smith (30) stresses that table appointments, and the menu must as well as being functional harmonize with the environment, linking with the dimension of aesthetics and design.

Campbell Smith (31) indicates that the customer is an ingredient of the atmosphere and that the restaurant needs to be designed so that the atmosphere and size of the room is appropriate to the numbers of customers.

Coffman (32) focusses on the attitude of staff which although intangible can make the customer feel either a welcome guest or an intruder. Doswell (33) also focusses on the importance of personal contact. He stresses that the contribution of the manager's individual personality cannot be ignored and that the managers role in personal contact with the guest relates to the question of image.

All of these comments illustrate some of the confusion concerning customer contact already discussed.
The attitude of staff is important, however, whether their role is to provide information and advice, to bear the offering, provide social contact or a combination of these.

There is a danger in classifying an experience into a number of components that the importance of characteristics that are involved throughout the experience and the totality of the experience will be lost. For example Campbell Smith (35) indicates that:

"... the customer expects to find security through the menu, the prices, the quality of the food and service, and atmosphere being the same throughout the chain".

and Doswell (36) illustrates the importance of the totality of the experience:

"The important part of the person's decision, however, depends on what the hotel does for him altogether .... He may be choosing to identify with a group to which he sees himself belonging. Conversely, if he cannot identify himself with the group, if the experience does not enhance his self concept, he may feel uncomfortable and thoroughly regret staying there".

In a number of statements Doswell (37) underlines the importance of image or 'social symbol':

"If the image of an hotel is the manner in which it is seen by people to portray itself, then it may create such feelings or reactions as identification, recognition security, prestige or loneliness ... Beyond the fulfilment of physiological needs, however, it has been stated that the principal motivation is the enhancement of the self concept".

"The recognition that a man may receive in an hotel, which confirms his sense of belonging, relates very much to the need to feel secure especially in regard to the social factor of class".

"Most purchases or actions are made less because of the quality of the product than because of the satisfaction promised to the consumer's ego".
These point to the need to adopt a means of classification which takes into account both the components of an experience and the total experience.

Campbell-Smith (38) in a check list (Table 4.1) of needs provides a more detailed classification of the meal experience. This classification is written from the users point of view and includes many of the characteristics identified in exploring the nature of service and quality. This does not provide for the core need from the customers viewpoint and misses providing a means of capturing the totality of the experience. Further it is based on the providers perception of the classification used by the user.

Doswell (39) suggests a form of classification which classifies the offering of an hotel from the providers point of view. This classification is as follows:

- location (accessibility, freedom from noise and nuisances, attractiveness and appeal)
- facilities (range and type)
- service (formality, courtesy, speed, individual attention)
- image (mood, atmosphere, association)
- price (value, satisfaction, demand).

Whilst this classification includes a number of dimensions of service and quality it does not provide any weighting of these dimensions or for the core of the users point of view being different and on occasions changing. Doswell (40) alludes to this difficulty in the following statements:

".... that all these factors are equally important, since it is impossible to allocate a specific value to each in an objective manner. What is more important to one person may be less important to another ....".
<table>
<thead>
<tr>
<th>Table 4.1</th>
<th>Check list of needs of meal experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Expectations</td>
<td>4.24 Contrast</td>
</tr>
<tr>
<td>1.1 Price</td>
<td>4.3 Smell</td>
</tr>
<tr>
<td>1.2 Facilities</td>
<td>4.31 Quality of aroma</td>
</tr>
<tr>
<td>2 Choice</td>
<td>4.32 Intensity of aroma</td>
</tr>
<tr>
<td>2.1 Related to powers of discrimination</td>
<td>4.33 Pleasing each of four taste sub-groups sweet, sour, salt and bitter</td>
</tr>
<tr>
<td>2.2 Time available</td>
<td>4.34 Conditions of air</td>
</tr>
<tr>
<td>3 Mood</td>
<td>4.4 Touch</td>
</tr>
<tr>
<td>3.1 To seek novelty to pioneer</td>
<td>4.41 Pleasing texture (austerity, fussiness)</td>
</tr>
<tr>
<td>3.2 To wish to conform</td>
<td>4.42 Acceptable temperature</td>
</tr>
<tr>
<td>3.3 To escape (antique or fantastic)</td>
<td>4.43 Comfort</td>
</tr>
<tr>
<td>3.4 To do things for oneself</td>
<td>4.45 Heating</td>
</tr>
<tr>
<td>3.5 To have things done for one</td>
<td>4.51 Communications with waitress</td>
</tr>
<tr>
<td>3.6 To be sociable (alone, small or large groups)</td>
<td>4.52 Intensity of voices and operating noises and music</td>
</tr>
<tr>
<td>3.7 To feel at ease (mass, individuals)</td>
<td>4.53 Tempo of music (of any)</td>
</tr>
<tr>
<td>3.8 Real tempo to be appropriate</td>
<td>4.54 Nature of music</td>
</tr>
<tr>
<td>3.9 Apparent tempo to be appropriate</td>
<td>5 Metabolism</td>
</tr>
<tr>
<td>3.10 Timing to be appropriate</td>
<td>5.1 Digestion</td>
</tr>
<tr>
<td>3.11 Formal, informal, functional, clinical etc.</td>
<td>5.2 Quantity of food</td>
</tr>
<tr>
<td>3.12 Gay, relaxed, hurried, slow, escaplist realistic</td>
<td>5.3 Quantity of liquid</td>
</tr>
<tr>
<td>3.13 To have entertainment provided.</td>
<td>5.4 Calories</td>
</tr>
<tr>
<td>4 Five senses</td>
<td>5.5 Vitamins</td>
</tr>
<tr>
<td>4.1 Sight</td>
<td>5.6 Salts</td>
</tr>
<tr>
<td>4.11 Wholeness or totality</td>
<td>6 Value for money</td>
</tr>
<tr>
<td>4.12 Harmony</td>
<td>6.1 Acceptability</td>
</tr>
<tr>
<td>4.13 Contrast</td>
<td>6.2 Consistency</td>
</tr>
<tr>
<td>4.14 Order &amp; consistency</td>
<td>6.3 Appearance</td>
</tr>
<tr>
<td>4.15 Balance</td>
<td>7 Cost</td>
</tr>
<tr>
<td>4.16 Colours to suit mood</td>
<td>7.1 Money</td>
</tr>
<tr>
<td>4.17 Brightness to suit occasion</td>
<td>7.2 Time</td>
</tr>
<tr>
<td>4.18 Hue of colours corresponding to levels of discrimination</td>
<td>7.3 Patience</td>
</tr>
<tr>
<td>4.19 Identification</td>
<td>7.4 Dress</td>
</tr>
<tr>
<td>4.10 Recognition</td>
<td>8 Function</td>
</tr>
<tr>
<td>4.11 Human error</td>
<td>9 Protection</td>
</tr>
<tr>
<td>4.2 Taste</td>
<td>9.1 Anxiety</td>
</tr>
<tr>
<td>4.21 Quality of flavour</td>
<td>9.2 Accidents</td>
</tr>
<tr>
<td>4.22 Intensity of flavour</td>
<td>9.3 Cleanliness</td>
</tr>
<tr>
<td>4.23 Pleasing each of four taste sub-groups, sweet, sour, salt and bitter</td>
<td>9.4 Elements</td>
</tr>
<tr>
<td>5 Metabolism</td>
<td>10 Accessibility</td>
</tr>
<tr>
<td>5.1 Digestion</td>
<td>10.1 Accessible</td>
</tr>
<tr>
<td>5.2 Quantity of food</td>
<td>10.2 Convenient</td>
</tr>
</tbody>
</table>
Shostack's (41) model with its scientific analogy provides for experiences where the core can change according to the users needs and where the provider can make available the mix of tangible and intangible elements that are required to meet these needs.

The researcher, from an examination of Doswell's and Campbell Smith's classification, developed the following classification, still based on the providers perception of how the user classifies the meal experience:

Table 4.2  Classification of meal experience

Need for information and advice on:
- the total experience
- time when service available
- location
- availability of table or room
- availability of foods and drink

Need for atmosphere settings which include:
- comfort, warmth, harmony, colour, texture, form, space and view
- functional furniture, equipment, etc
- being with others with whom one feels comfortable

Need for choice of food and drink:
- to feel appetite satisfied on completion
- to have clean palate on completion
- to have food of texture, colour, temperature and flavour which is known and acceptable
- to be available when required

Need for ancillary services:

Need for:
- social contact
- sense of belonging
- sense of security
- identification
- recognition
- status
- associations

Need for completing experience and sub-experiences in time.
This was further developed and simplified as a possible classification for all hospitality experiences (42):

Table 4.3  Classification of hospitality experiences

<table>
<thead>
<tr>
<th></th>
<th>Utility core</th>
<th>Setting</th>
<th>Safety</th>
<th>Value for money</th>
<th>Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>fitness for purpose</td>
<td>availability</td>
<td>degree of choice</td>
<td>physical surroundings</td>
<td>other users</td>
</tr>
<tr>
<td>2</td>
<td>personnel</td>
<td></td>
<td></td>
<td></td>
<td>guarantees.</td>
</tr>
</tbody>
</table>

Both of these classifications recognise many of the characteristics by which users perceive service and quality, were based on the author's classification of these characteristics and not on the consumers. Further the classification did not provide that these factors vary in importance for different people and for different occasions.

Nightingale (43) adopted a rather different approach to describe the tourist experience in a number of sequential steps and then suggested a classification for the tangible and intangible characteristics which apply to each component step of the experience. These are set out in Figures 4.1 and 4.2

The concept of classification of the component steps appears to be satisfactory and it is relatively easy to check with a number of consumers whether the sequence is correct. It is much more difficult to determine whether the classification of characteristics of components reflects the perceptions of the consumers. Many of these characteristics have been identified and considered
Figure 4.1
Components of tourist experience in sequence

1. Before purchase
2. Purchase
3. Before departure
4. Travel to destination
5.1 Travel at destination
5.2 Stay at destination
5.3 Other activities at destination
6. Travel from destination

Purpose & duration of tourist experience

Key
- - - packaged tour
Figure 4.2
Kinds of tangible and intangible characteristics of components of the product

Availability
- Accessibility
- Time of opening
- Choice

Assurance
- Safety & security
  (person & belongings)
- Confidence
- Putting things right mechanisms

Function
- Ease of use
- Performance

Price
- Value
- Accuracy timing & method of payment

Appearance & Setting
- Appearance of core
- Physical surroundings
- Other users
- Personnel

Service
- Information & advice
- Timing (pre recognition, waiting to order, waiting for service)
- Social contact (care, hospitality & welcome)
when exploring the nature of service and quality and are likely to be significant. The difficulty is identifying a classification which is able to highlight the hierarchy of characteristics which are important to the consumer when judging the quality of a service.

4.3.3 A possible approach

All of the approaches already examined have limitations. Sabath (44) and Jeffries (45) give some indicators to the kind of approach that may overcome some of these limitations:

"The first step towards setting realistic service goals is to determine, through customer surveys, what customers mean by 'service', and then what level of service they want".

"How can this be reduced to some standard routine? How can success not depend on such things as dedication, desire to be good, pride in the job, caring. But how does one observe a personal relationship let alone manage its quality or set standards for it.

I suggest as well as measuring or setting standards of quality 'objectively' the enterprise can get the customer to do this on its behalf.

The quality standard is not set in terms of the things done but, rather in terms of customer's opinion of it.

It's about making it clear to the customer, economically, what to expect; and being seen by the customer to have lived up to expectations".

One of the difficulties of those concerned with quality is that their involvement limits their perceptions of what is important to the customer and on occasions may see the customers' perceptions as being in conflict with their own value system. A number of studies examined during the literature survey suggest that personal construct theory and the technique of repertory grid may be a valuable approach.
Personal construct theory conceived by Kelly (46) is concerned with understanding how the similarities and differences which individuals conceive and perceive the world evolve and why individuals may respond differently to the same event. Repertory grid is a technique used in applying this theory.

Honikman (47) indicates the value of applying personal construct theory and repertory grid technique in an approach to architectural and environmental design. Christopher et al (48) make reference to having used with some success a method known as repertory grid in a study of customer service. Thomas (49) suggests that personal construct theory provides a comprehensive approach to determining an appreciation of consumer needs. Personal construct theory is examined in more depth in Chapter 7. It is not only important to be able to describe the hospitality experience but also to measure guest satisfaction and this is examined before drawing conclusions on the nature of quality of service and the description of hospitality experiences.

4.4 MEASURING CUSTOMER SATISFACTION

Daltas (50) stresses the importance of customer satisfaction:

"Because a clientele is made up of many individual customers, determining what particular customers dislike (and like) compared to what they expected, and then having the local manager act quickly on that information, is critical. To avoid losing the future stream of purchases from these customers, these tasks must be accomplished before the customers decided not to return".

Cadotte (51) suggests that the lodging industry by their actions do not recognise the importance of measuring satisfaction:
"In the lodging industry, firms spend more than one dollar per room per day to attract new customers - but they spend virtually nothing to determine whether they have delivered what they promised or what the customer wanted. The service-evaluation system's strength lies in its focus on measuring the factors that influence whether a customer intends to return, once he has sampled the lodging service".

The National Restaurant Association (NRA) survey (52) based on food service executives' responses gives an interesting insight into the perceptions of the industry to the level of guest satisfaction. A summary of these findings is given below:

"There are some restaurant attributes about which a guest is more likely to complain than to compliment a foodservice establishment. For example, availability of parking, traffic congestion in the establishment, price of drinks, meals and other services, the reservation system, the noise level in the establishment, and the spaciousness of the establishment all appear in the top ten complaint list. Yet few operators reported compliments concerning these attributes. It would appear that customer satisfaction in these areas will not enhance the guest's perception of hospitality, but may detract from it when the guest's minimum expectations are not met.

In contrast, guests express appreciation for high performance in some areas. The findings suggest they respond favourably to a clean and neatly kept restaurant, ample size portions, neat employee appearance, high alcoholic beverage quality (including wine) and responsiveness to complaints.

The quality and quantity of service, helpfulness of employees, and food quality appear in both the most frequent complaint and compliment lists including that these are attributes about which customers are most inclined to voice their opinions. In addition, restaurant operators may have difficulty maintaining high levels of performance areas".

This survey although giving a picture of what seems to provide satisfaction and dissatisfaction does not attempt to give an overall view of the level of satisfaction.
A survey conducted by Farrell (53) suggests that this may be lower than is generally assumed:

Table 4.4 Customer satisfaction of foodservice establishments

<table>
<thead>
<tr>
<th>Degree of satisfaction</th>
<th>All customers</th>
<th>Dining rooms</th>
<th>Coffee shops</th>
<th>Restaurants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No %</td>
<td>No %</td>
<td>No %</td>
<td>No %</td>
</tr>
<tr>
<td>Well satisfied</td>
<td>50 4</td>
<td>10 3</td>
<td>35 9</td>
<td>5 1</td>
</tr>
<tr>
<td>Satisfied</td>
<td>100 8</td>
<td>10 3</td>
<td>85 21</td>
<td>5 1</td>
</tr>
<tr>
<td>Indifferent</td>
<td>600 46</td>
<td>80 22</td>
<td>200 50</td>
<td>320 58</td>
</tr>
<tr>
<td>Unsatisfied</td>
<td>300 23</td>
<td>150 43</td>
<td>55 14</td>
<td>95 17</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>250 19</td>
<td>100 29</td>
<td>25 6</td>
<td>125 23</td>
</tr>
<tr>
<td>Totals</td>
<td>1300 100%</td>
<td>350 100%</td>
<td>400 100%</td>
<td>550 100%</td>
</tr>
</tbody>
</table>

Cadotte (54) in a survey of the lodging industry indicates the level of satisfaction and draws attention to the importance of maintaining guest satisfaction if repeat business is to be maintained:

"Most guests responding to the survey (76%) reported they were very satisfied with the service in one or more areas. A majority (57%) also reported dissatisfaction with one or more areas. Perhaps of greatest interest to the hotelier: fully two thirds of the dissatisfied guests said that they might not or would not patronise the hotel if they returned to the area. Almost half of these guests indicated they might not or would not stay at any property of the chain when travelling in the future. Finally, a third of the dissatisfied guests told a member of their travel party and a friend or relative about the unsatisfactory experience upon returning home. These findings underscore the necessity of monitoring customer satisfaction with a view toward correcting problem areas".

The following statements also indicate the difficulties of measurement of this kind. For example, Christopher et al (55) suggest that:

"Unless the customer rationally monitors the service system, evaluation is likely to be determined through singular events. In a sense evaluation is asymmetric: a service which meets expectations is taken for granted, service which is bad forms distinct impressions".
Shaw (56) points out that:

"Satisfaction is realised and can only be measured, in many instances, on a transaction basis".

The NRA (57) survey of 432 firms representing 22,000 food service units shows the relative importance food service executives give to the different methods of measuring guest satisfaction.

"Respondents indicated that the more important methods for measuring guest satisfaction involve direct communication with the guest including verbal complaints/compliments, follow up calls of complaints/compliments and written complaints/compliments. Of almost equal importance for this purpose were several types of trend information including the number of repeat customers, sales trends, market share trends and return on investment trends. Communication efforts initiated by management, such as surveys, interviews, anonymous inspections and comment cards, were considered less useful."

Reservations on the effectiveness of the methods of measurement seen as important by the food service executives are often expressed. Daltas (58), for example, suggests:

"In most cases, service businesses rely on inadequate means of assessing and responding to consumer behaviour at the local level. These methods typically include financial control measures and complaint or suggestion programmes. Each falls far short of fulfilling the need, ..."

and Cadotte (59) states:

"While the need to measure service performance is obvious, the 'best method to use is not. Most firms monitor customer satisfaction on the basis of personal contact, customer correspondence, consumer surveys, and market trends, but these sources have drawbacks. They often provide unreliable or ambiguous information, and they often generate it so long after the fact that it is of little utility to management."
A number of specific reservations of methods used are given below. Cadotte argues:

"... lodging executives reported a heavy reliance upon such empirical data as the number of repeat customers, sales trends, market share trends, and return on investment. Although these trends are important in suggesting the direction of a firm's future, they are inappropriate for purposes of short-term control because they do not reflect customer satisfaction in a timely or specific way".

Daltas (60) points out:

"Complaint or suggestion programmes are inadequate because they only tap the opinion of the most flagrantly abused or the most highly satisfied customers. Typically, real complaints are often the final contact with a particular customer. Complaint systems also tend to produce negative information with 'halo' effects, ie 'everything's wrong'. Thus, the complaint may be only the culmination of other issues which remain hidden, and the relative importance of the issues may also remain unknown." Conversely, suggestion programmes can produce innovative ideas but seldom point out real weaknesses. Neither type of programme puts out the true strengths of the business in perspective with what may be going wrong (or where opportunities for improvement lie) in a positive, comprehensive way. Even local consumer panels, though helpful, are often unrepresentative and provide subjective feedback, usually only to the managers. In short, no adequate forum of information exchange is created for the employee, the consumer, or the service organisation.

Finally, while market research provides companies with a far better means of understanding their customers than ever before, it does not fulfil all the marketing needs at the local level".

Cadotte (61) focuses on how unrepresentative some of the feedback can be and illustrates that by findings from a mail survey:

"Many firms rely on customer-initiated feedback - completed comment cards, oral or written complaints and compliments. Although these forms of information allow guests to express their opinions in a prompt and detailed fashion, they represent a very small percentage of all customers. Moreover, they tend to be provided
by guests who are highly motivated by either exceptionally good or exceptionally bad performance — and their comments are seldom recorded in any systematic manner.

For example, in the mail survey ...... only seven per cent of the guests who were dissatisfied with some aspect of the service provided had spoken with a manager or completed a customer-comment card. Only one per cent wrote a letter to either the manager or corporate headquarters. In fact of approximately 10,000 guests who visited three of the hotels during one month of the survey, only 75 submitted any form of written evaluation. When asked why they did not report their unsatisfactory service experiences, most guests said either that they did not feel it would do any good to complain or that they did not want to be a nuisance.

Further he indicates that:

"..... when guests do complain to employees, the complaint often goes no further, and the management has no objective documentation of the performance".

Lewis and Pizam (62) discuss the present usage of different kinds of surveys:

"Most hospitality enterprises use some form of in-house guest survey. A national survey of hotel executives indicated that 92% of the respondents use this method of obtaining guest response on either a continual or sporadic basis (Lewis & Beggs, 1981). Comment cards are frequently found in hotel rooms, restaurants, coffee shops and cocktail lounges. Responses are utilized as indicators of operating performance and measurement of guest satisfaction."

and argue that the data collection method must be one that produces true measurement of guest satisfaction and then suggest that the following problems exist with present survey methods:

"1) It is difficult, if not impossible, to tabulate the data so that it has meaning.
2) There is no measurement of the relative importance of the various categories, ....."
3) Existing survey types are 100% operation or product orientated.

Although it is recognised that these problems arise in the content analysis of many surveys, some companies do adopt techniques which avoid these problems. Lewis and Pizam (63) also suggest that:

"There are other concerns with current in-house surveys in terms of statistical validity. These include the following:

1) Pragmatic validity: Are results useful as predictors of behaviour.

2) Content validity: Does the measurement instrument capture the domain of the characteristic, ie, is the domain of concern (satisfaction) the same as that being measured (operations)?

3) Construct validity: Is the instrument measuring what we think it is measuring? Is it actually measuring satisfaction, or operations, or is it measuring something else such as expectation, mood or expertise?

4) Sample validity: Is the sample truly representative of the population? Or, is it a response only from those who are truly satisfied or dissatisfied based, possibly, on singular experiences or expectations.

Cadotte (64) suggests:

"From a management perspective, a customer-feed-back system should have the following characteristics:

* It must be specific to the individual property, rather than reflect area, regional, or chain wide performance.
* It must provide timely, management orientated information that will allow local and corporate managers to be more effective operators, decision makers, and planners.
* It must facilitate the continuous monitoring and documentation of performance so that trends can be identified and the effects of action readily observed."
The information it provides about consumer satisfaction must be representative of the experience of the larger consumer population. Finally, its installation and operation must be inexpensive and require minimal effort, to encourage its use by local service-firm operators.

From the consumer's perspective, the feedback system should ideally offer these other attributes:

* It should be simple and interesting to encourage feedback from a large number of customers representing diverse backgrounds and service experiences.
* It must allow immediate responses — in other words, it must measure a customer's opinion while the experience is fresh in his mind.
* It should allow anonymous response, which will lead the customer to be more honest in his evaluation.
* Finally, it must be credible: consumers must believe that management will use the information thus gathered to reward good performance and correct problems.

Lewis and Pizam (65) in a similar way suggest a satisfaction index should:

* "provide reliable performance, decision and marketing information at the lowest level of market impact - the individual unit; be both unique to the individual property, but at the same time, able to be standardised for research and comparison purposes ....
* be tailored to an individual property in a short period of time, executed quickly, and the results analysed and returned to management so that immediate and appropriate action can be taken;
* measure dominant trends in consumer preferences, satisfaction and behaviour ....
* provide straight-forward information on performance and consumer needs and wants in the fundamental areas where management can take appropriate action ....
* tell the organisation whether the guest will or will not return, given numerous other alternatives;
reduce the need for skilled researchers. If the local manager can determine the major focus of the research such as service performance and needs, price, image, etc., the survey should employ a checklist format to suggest specific issues to the managers.

Daltas (66) in describing a consumer feedback survey system suggests the following:

* A similar process can take place at higher levels using aggregated data from the field and the existing policy flows of the organisation.
* Local managers and employees serve customers needs on a daily basis using locally modified procedures along with general corporate policies and procedures.
* Comparing financial data, expectations, and past attitude information, determine strengths and weaknesses and their probable causes.
* Determine where and how effort should be applied to correct weaknesses and preserve strengths, repeat the process by taking action-step 1-and maintain it to attain a steady rate or to evolve in terms of customer changes.
* By means of a standardised and locally sensitive questionnaire, determine the needs and attitudes of customers on a regular basis.

Daltas (67) also stresses:

"But if customers provide information to those units, thus reinforcing policies and procedures, the field personnel are likely to follow them more enthusiastically."

Given the right feedback tools, customers, local managers, and employees can effectively work together to create and maintain a mutually beneficial environment. In turn, this will help ensure longer-lasting customer satisfaction and can help expand as well as preserve the market share of the local unit. These goals may be achieved through the establishment of a consumer-survey feedback system, as shown in Figure 4.5. In such a system, the actions of the customers. These actions and opinions are then regularly fine-tuned as time passes. This same link can be used to provide information to higher levels of the organisation where other adjustments can be made. In effect, the customer becomes part of the internal information system of the local operation and of the entire organisation.
The benefits of monitoring guest satisfaction are, Lewis and Pizam (68) suggest:

"... first, it is learned which dimensions are not only weak from an operational viewpoint but also what their importance is in relation to overall satisfaction. Second, an overall satisfaction rating is revealed".

Daltas (69) suggests even wider benefits:

"There are some intangible benefits which can result from a consumer-survey feedback system. For example, even if ameliorative efforts are not completely on target, the attitude of customers are likely to be improved to some degree if only because it appears that the store cares enough to ask their opinion. Similarly, it is a positive message from management to employees in the field that management is interested in the customer's opinion. As a kind of internal checklist, it also indicates which opinions are considered important in general and which ones the employees may be overlooking."
Besides tracking the delivery of current services, the consumer-survey feedback instrument can be used to test consumer opinions about new or different services. And with customers involved in the process of improvement, a new kind of motivated customer can result - one who is not just satisfied but who also actively encourages others to patronise the service.

Finally, the strengthening of the relationship between customer and company through consumer-survey feedback can serve the finest ideals of the discipline of marketing. Aiding the human problem solving that goes on at the local level helps bring business action closer to the individual needs and desires of the customer. The successful matching of those needs and desires with what is actually delivered is the heart of a profitable consumer business.

4.5 CONCLUSIONS ON NATURE OF QUALITY OF SERVICE, DESCRIPTION OF HOSPITALITY EXPERIENCES, AND CUSTOMER FEEDBACK

The conclusions drawn from an examination of the nature of the quality of service, ways of describing a hospitality experience and customer feedback are:

1) Although the industry is concerned with the offerings of the 'meal experience' and the 'lodging experience' there is a need to be more precise about the nature of the offerings of each unit to its main market segments.

2) There is a need to use ways of determining the offering based on the internalised standards of a representative sample of consumers of a particular market segment. The degree of commonality of these internalised standards will determine the degree of standardisation and flexibility required from the service system.

3) Any description needs to include the purpose of the experience and the tangible and intangible elements that surround it. Tangible elements can be specified or internalised, the intangible may be described as a procedure, a specification of the tangible bearers of the element, or internalised (a calibration of a human bearer).
4) There is a need to describe the sequence of mini-
experiences and the totality of the experience, and
to take care in distinguishing between customers
preferences, customers expectations and factors
which lead to customer satisfaction.

5) The description needs to take into account the
interaction between the consumer and the service
system during the consumption of the service.

6) Personal construct theory and repertory grid
techniques may fulfil the above needs.

7) The level of customer satisfaction is not known in
most establishments and that there may be advantage
in giving more emphasis to this to increase repeat
business and less to sales promotion.

8) Companies are unable to distinguish between the long
term feedback needs of senior management and the
short term needs of those concerned with
operational transactions and are also using the
wrong measures ; (asymmetric: good taken for granted,
poor - negative).

9) Present systems may be ineffective because:
   consumers have little confidence action will be
taken;
   measures are product rather than market orientated;
   no provision for relative importance of elements;
   impossible to tabulate data;
   statistical validity is questionable.

10) A feedback system from a management perspective
    should be designed
    for a specific property preferably on a
    standardised basis so that units can be compared;
    to provide timely operational information on
    consumer needs, customer satisfaction and
    operational performance on a transaction for
    transaction basis;
    to focus attention on where remedial action is
    required;
    to provide timely management information on
    consumer preferences, satisfaction and behaviour,
    the likelihood of repeat business, overall
    operational performance;
    to provide information on trends;
to be reliable and representative;
to be inexpensive and practical
and from a consumer's perspective be:
simple and interesting;
allow immediate response when consumer wishes to;
anonymity;
credibility (ie belief that action will be taken).

11) A customer feedback system has the following wider
benefits:
indicates concern for consumers to consumers
indicates concern for consumers to staff
canvasses opinion of value to marketeers.
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CHAPTER 5  QUALITY OF SERVICE IN CONTEXT OF ORGANISATION THEORY

5.1 INTRODUCTION

This research set out to establish mechanisms for determining in the hotel and catering industry quality standards for customers, how these can be translated into operational standards and subsequently maintained. The literature surveyed in the previous pages has been relevant to the first part of determining the nature of quality in the hotel and catering industry. Now it is proposed to examine literature which is relevant to establishing mechanisms of how quality standards for customers can be maintained. Two areas which are particularly relevant are organisation theory and management functions.

This chapter is concerned with organisation theory and its purpose is to try and understand the factors of organisation that may directly or indirectly affect quality, so that the affect of change in any of these factors in quality can be predicted more accurately than at present.

5.2 THEORY OF ORGANISATIONS

There is a wide range of literature on theories and concepts of organisation written from many perspectives, based on a number of different disciplines including philosophy, politics, sociology, economics, law, engineering and mathematics (1). Wood and Kelly (2) propose that these perspectives fall into three broad approaches based on whether society, the organisation or the individual is taken as the starting point for analysis.
An initial reaction in examining the literature is that there does not appear to be a consensus on the nature of organisations. Blau et al (3) submit that:

"Formal organisations have been established for the explicit purpose of achieving certain goals".

In contrast Etzioni (4) states:

"It seems doubtful whether it is legitimate to conceive of an organisation as having a goal, except where there is an on-going consensus between the members of an organisation about the purpose of their interaction".

Silverman (5) who tries to reconcile these viewpoints argues that organisations use:

"The outcome of the interaction of motivated people attempting to resolve their own problems".

Even though there are differences of view on the purpose of an organisation, it is possible to identify from these opinions at least two factors of organisation which may affect quality: goals and individual members of the organisation. A number of other factors were identified as further opinions on organisation theory were examined.

Buckley (6) describes an organisation as:

"A complex adaptive system in which patterns of meanings, actions and interactions are continually generated, elaborated and restructured; that is where the structure is continually changing".

This underlines the importance of the actions and interactions of individuals and identifies structure as an additional factor, he also implies that there is a social and cultural environment factor. Laurence and Lorsch (7) further emphasise some of these factors in the following statement:
"An organisation is the co-ordination of different activities of individual contributors to carry out planned transactions with the environment".

Disagreement on whether certain factors should be included in a definition of organisation probably arises because the authors have different types of organisations in mind. The definition used by Barnard (8) avoids some of these problems by excluding factors which may not apply to all organisations.

"... a system of consciously co-ordinated activities or forces of two or more persons".

The significance, as far as quality is concerned, is that an organisation is continually evolving. As its individual contributors change uncertainty is generated which makes it more difficult to maintain quality.

Differences are expressed on the definition of organisation theory. Bowey (9) implies it is concerned with understanding, explaining and pre-dicting human behaviour in organisations. Whilst, Silverman (10) suggests that organisation theory explains why organisations are as they are, and examine the factors that make them change. This again raises the question of what factors are important in gaining an understanding of organisations and the likely effect of changing these factors. It also raises the question of whether the theory embraces the effect on society, the organisations or the individuals who participate in the organisation.

Early theorists in trying to establish a theory of organisations have assumed that the principles of such a theory could be applied to all kinds of organisations(11). As such theories were evolved, tested and found wanting some theorists felt that this was because the principles had not yet been properly identified and continued to seek for true principles. Others suggested that a
theory would only apply to similar types of organisations and began to suggest classifications of organisations for which theories could be evolved and applied (12).

Silverman (13) takes a rather different view and states there is not one theory but many theories of organisations which deal differently with the macro issues involved in a comparative study.

Bowey (14) suggests the development of organisation theory has followed three different paths in which she detects a convergence of opinion: systems theory; contingency theory; and action theory.

Systems theory, which has evolved from the scientific study of living organisms when applied to organisation theory has been defined by Silverman (15):

"Organisations are composed of a set of independent parts: organisations have needs for survival; and organisations, as systems behave and take actions".

The limitations of this theory identified by Buckley (16) are:

"Mature organisms cannot change their given structure beyond very narrow limits and still remain viable, whereas this capacity is precisely what distinguishes socio-cultural systems".

Miller and Rice (17) imply that this criticism arises because systems theorists are overly abstract, rather than treating the biological notion of a system as though it is merely an analogy, or model.

Contingency theory, Shamir (18) suggests, is based on the claim that economic organisations, in order to succeed, adapt their structure and mode of operations to the nature of their specific tasks, to the technology available for the execution of these tasks and to various
environmental constraints. Burns and Stalker (19) developed the concept that a mechanistic system of management practice was appropriate to a firm in a stable environment and an organic system appropriate to a changing environment.

The limitation of contingency theory is described by Cooper (20) when he submits that:

"The imposition of a structure without paying adequate attention to the interaction of individuals, from which the structure is created".

Contingency theory is now concerned with both structure and the resulting interactions between individuals.

Action theory also takes this interaction into account and is based, as Bowey (21) suggests, on the assumption that sociology is more correctly concerned with 'meaningful action' than with behaviour. This comes from the realisation that concentrating on behaviour alone, the sociologist is not able to make accurate predictions of the way in which people will respond to one another in an interaction situation.

Before discussing whether system, contingency or action theory or a combination may be helpful in understanding quality, attention needs to be given to the view that to seek a theory or theories is inappropriate for gaining an understanding in the social sciences, and that it is more useful to evolve concepts about organisations.

Bradley and Wilkie (22) underline this argument in the following statement:

"...... there is now increasing realisation that we cannot easily build a science of organisation by deciding to go out into the world and collect a number of facts, classify
them, prepare hypotheses about these facts and create a theory on the successful hypotheses. At the first stage, we are stopped by the difficulty of being sure what a fact actually is. It is not sufficient to indicate that facts are what is out there, data which we simply record. What we need is a conceptual framework to organise our experiences of this so-called data, we need a language in which to record the data, but the language itself dictates perception of the data. If you like, we approach the world with some preconceptions of what it is we are looking for; these preconceptions organise the data into facts. To put it yet another way, it is not the case that we first collect a lot of facts and incorporate them into concepts. The process is more interactional, concepts informing us what will constitute a fact, and the facts redefining the concepts.

It is not the purpose of this research to suggest yet another organisation theory or concept. However, it is thought necessary to evolve a tentative model for service organisations which provides a link with the environment and the actions of the individuals involved. It is also important to examine the factors identified in the theories and concepts already discussed as these factors probably affect quality and will need to be incorporated in any model evolved.

The factors or variables which a number of theorists have identified as those which change organisations have been summarised in Table 5.1. An examination of these suggested a useful classification for the purposes of this research and an indication of how this was evolved is given in Table 5.2.

The influence each of these variables may have on quality, as suggested by the literature, follows. Much of the literature tends to pair these variables when discussing their interaction. It is suggested as there are interactions between all of the elements that this can be misleading. The interaction of these variables is examined in the research.
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<thead>
<tr>
<th>Author</th>
<th>Factors</th>
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<td>Process</td>
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<td>Management control</td>
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<td>Operational controls</td>
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Table 5.2  Suggested classification of factors or variables which affect quality

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<th>Thompson</th>
<th>Laurence &amp; Lorsch</th>
<th>Reeves</th>
<th>Rackham &amp; Woodward</th>
<th>Bradley</th>
<th>Bowey</th>
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<th>Factors affecting quality</th>
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<td>Environment interface</td>
<td>Role &amp; relationships</td>
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<td>Structure</td>
<td>Organisation design</td>
<td>Management controls &amp; operational controls</td>
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<tr>
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5.3 ENVIRONMENT

Bradley and Wilkie (23) argue that an organisation is an island and that to explain why an organisation has developed and presumeably to be able to predict how it may develop in the future one must look at the legal, political, social, cultural and organisational environments within which the organisation has its place. Adam et al (24) identify similar areas of social; legal/political; economic and; technological, which they describe as environmental characteristics and constraints. Their relative importance it is suggested depends on the particular firm and industry.

Thompson (25) suggests that the environment is everything external to the organisation. He then classifies these external factors under two headings. The task environment which are relevant to goal setting (i.e. customers; suppliers of materials; labour; capital equipment and work space; competitors for markets and resources; regulatory groups: government agencies, unions trade associations; and achievement. The general environment which not only determines the patterns of culture but also represents potential for the task environment.

Katz and Kahn (26) identifies organisational sub-systems as necessary organisational components used to help the organisation cope with its environment. These two sub-systems are the supportive structure and adaptive structures. The supportive structures are designed to provide continuing sources of input. The supportive structures are also necessary or helpful in maintaining and furthering a favourable environment. The adaptive structures are seen as helping the organisation generate appropriate responses to external conditions.
Beckhard (27) uses environment to describe both internal and external factors, which leads to some confusion. This is illustrated by Shamir (28) when discussing the environment of an hotel. This confusion is avoidable if one uses the distinction made by Steele (29) where he uses environment to describe external factors and setting to describe the internal physical and social factors.

In listing areas of change in the external environment Beckhard (30) illustrates how diverse and dynamic these can be: the knowledge explosion; the communications explosion and the growth of professionalism; the internalization of markets; shorter product life; increasing significance of marketing; relationship of line and staff; multiple memberships; the changing nature of work and to-day's changing values.

Steele (31) describes an individual's environment in a way, which he suggests also, applies to an organisation, which gives another perspective:

"A person's environment is a combination of many forces: physical (temperature, light visible to him, physical objects, other living things); social (norms others hold about how he and others should behave, social structure, messaged that are there to be received if he tunes into them, attempts by others to influence him); economic (means for earning a living, general economic conditions).

A classification proposed by Steele (32) is broken down as follows:

- Culture;
- Geophysical environment;
- Technological environment;
- Social environment;
- Settings - technophysical.

It is interesting to note that each relates to culture and changing values. This links closely with the dimension of quality 'social symbol' examined in Chapter 3.
suggests that the rate of change in external factors may be more important than the complexity as this is what generates uncertainty.

Shamir (34) suggests it is the heterogeneity and instability of individual customers within the setting of hotels is equivalent to uncertainty and instability in the economic environment. Hotels, he suggests, have to deal with many exceptions, have to give a personal service, have to respond to varying pressures and to perform tasks not easily defined and controlled, and concludes:

"... the high dependence of hotels on their customers, plus the diversified, personal and immediate nature of the services that have to be provided by hotels, all present hotels with two major demands - a demand for flexibility on the one hand and a demand for a high degree of control and co-ordination on the other" (35).

Shamir assumes that all hotels operate in an uncertain environment, although this conflicts with his views on standardisation. He fails to realise the environment will depend upon the nature of the customers and their purpose in using a hotel.

Thompson (36) highlights the problems created by uncertainty and suggests that an organisation should aim to remove as much uncertainty as possible, whilst remaining sufficiently flexible to adapt to the speed of change in the environment.

He (37) also indicates some of the ways an organisation does this. He suggests organisations seek to seal off their core activities from environmental influences. Since complete closure is impossible they seek to buffer environmental influence, wherever possible, by surrounding their technical activities with input and output buffers (eg storing raw materials and finished goods).

Because buffering does not handle all variations in an unsteady environment, Thompson (38) argues that organisations seek to smooth input and output transactions, and to anticipate and adapt to environmental
changes which cannot be buffered or smoothed, and finally when buffering, leveling, and forecasting do not protect their technical activity from environmental fluctuations, organisations resort to rationing.

These are manoeuvring devices which provide the organisation with some self control interdependence with the environment. Thompson (39) also raises an interesting suggestion concerning individuals who are responsible for spanning the inter-face between the environment and the organisation. He suggests that where the environment is stable, jobs can be standardised, whereas when the environment is shifting such jobs require the exercise of discretion.

Another device Thompson (40) suggests is for organisations to scatter the responsibility for spanning the inter-face to a number of self sufficient sub-units, especially when surveillance is limited. This is discussed further in the section concerning structure.

The organisation variable of the environment appears to have an effect on quality. There seem to be three dimensions: the internal setting where the inter-face between consumer and service system takes place; the task environment which provides continuing inputs to the service system; and the general environment to which the organisation needs to adapt over time. All these dimensions have an impact on quality, the response required depends upon the degree of uncertainty in each of the dimensions. It appears to be essential to determine the degree and nature of uncertainty which exists, so that the appropriate mechanisms to ensure that this is coped with are introduced. The mechanisms for the three dimensions need to include both supportive and adaptive ones and will evolve from one or more of the following four organisation variables: the 'human variable'; structure; technology and control.
5.4 GOALS

It is generally assumed that when the success or failure of an organisation is being discussed that it has goals against which its success can be measured. A number of organisations theorists including Cyert et al (41), and Perrow (42) support this view. On the other hand Etzioni (43) and Silverman (44) suggest that goals of an organisation are the accumulated goals of its individual members. Laurence and Larsch (45) imply that the goals of an organisation are determined by an interaction between the expectations of the external environment and the goals of the individual members.

"It is difficult to conceive of an abstract organisation having goals, and much easier to conceive of individual members having goals. It is clear, however, that not all members of an organisation share common goals or are committed to the same degree. It is also doubtful if an organisation would be able to meet all the expectations made on it from the external environment."

Another dimension raised by Silverman (46) draws attention to the time dimensions by illustrating that when an organisation is founded it will have certain goals evolved by its founder member/members which then change over time for a variety of reasons including the achievement of the original goal, the changes of the individual members and changes in the outside environment.

Thompson (47) considers goals of the organisation as the future domains intended by those in the dominant coalition. Domains, in this context, are defined as claims which an organisation stakes out for itself. This definition takes into account the environment, and its individual members whilst recognising that the goals are different from the individual goals of its members.

Bowey (48) stresses that the individual members can have different attitudes to organisational goals, from at one extreme, being totally committed to, at the other extreme,
disagreeing with the stated aims but having no option but to remain a member.

Davies (49) goes as far as to suggest:

"We do not believe that unity of purpose, total consensus, and complete rationality are the hallmarks of organisations".

Rogers (50) appears to imply that this may be because the company ignores defining its strategy with a broad qualitative statement of the company's philosophy or purpose, which specifies where the company will concentrate its efforts, in terms of types of customers and particular customer needs.

Kreck (51) goes further and claims:

"That business purpose and business mission are so rarely given adequate thought is perhaps the most important single cause of business frustration and business failure".

The goals of hotel and catering establishments are discussed by Cousins (52) who suggests that the prime objective is to achieve customer satisfaction (i.e., provides a service that meets a need in an environment that will contribute to the customers satisfaction).

Customer satisfaction is also focussed on by Shaw (53) when he proposes that dedication to customer satisfaction as perceived from the customers own viewpoint - is an essential ingredient for a set of policies of a service organisation.

He (54) goes on to suggest there are minimal mandatory objectives around which service enterprises should be organised and that the quality and productivity should be incorporated in the projected outcomes for all service enterprises.
It appears that the variable 'organisation goals' does have an effect on the quality of service. The factors that have this effect are:

- whether a well defined understanding of goals exist in the dominant coalition;
- whether reference to customer satisfaction and quality are included in such goals;
- whether the goals of the dominant coalition are in harmony with the environment in which the organisation operates; and
- the degree of commitment to these goals of the individual members of the organisation.

5.5 THE 'HUMAN VARIABLE'

An examination of the two previous variables concerning organisation, environment and goals, has already shown how difficult it is to distinguish between an environment and their representatives and an organisation and its individual members. This section examines the 'human variable' of an organisation, first from the perspective of someone employed by the organisation, second as a user of the services provided by the organisation, and finally the interaction between them.

5.5.1 The employee as a 'human variable'

In some cases the literature examines human behaviour within the organisation and appears to overlook that an individual lives within the Society as well as working within an organisation. Bradley and Wilkie (55) stress this wider context in the following statement:

"While organisations may lead lives of their own, they can only do so by intruding into the lives of human beings".
The following statement by Thompson (56) further underlines this wider context:

"Of the many knowable ways of behaving in specific kinds of situations, the individual knows only a few. Of the several hundred languages most individuals know only a handful at best. The repertoire of behaviour patterns is confined primarily to those of having currency in their culture, and one of the significant aspects of culture for any society is that it frees individuals from having to deliberate choices from a host of possibilities. This is true not only with regard to such basic items as which foods are edible, which language shall be the native one, or appropriate forms of religious observance; but it applies equally well to matters more obviously related to organisations - ways of perceiving and categorizing reality; beliefs about cause/effect relationships, definitions of legitimacy, and attitudes towards authority; orientations towards time and personal aspirations. Definitions of the worthwhile life and methods of assessing success are highly determined by the culture, which thus limits the range of aspirations current in a society".

It is against this wider context that three established psychological theories of social man; self-actualising man and complex man now need to be considered.

The theorists (57) who support the importance of social man, argue that the primary motivating force of man is his 'need' to interact with, and to be accepted by his fellows. This need is also recognised in the hierarchy of needs identified by those who support the theory of self-actualisation (58). This includes the following levels of need: physiological; safety; social; self esteem and status; and self actualisation. A theory not supported by much empirical evidence. In both of these it tends to be assumed that these needs can be met by an organisation and that individuals will be looking for these needs to be met.

The theory of complex man recognises that individual needs and organisational goals may be incompatible and that different individuals will be seeking to fulfill different needs from an organisation. Vroom (59), suggests rather
than examining psychological needs it is more useful to
take a sociological viewpoint and examine an individuals
preferences in terms of outcomes and their expectations,
concerning the consequences of their actions, in the
attainment of these outcomes.

Brief reference was made earlier to Bowey's (60) views on
individuals different attitudes to organisational goals.
This extract indicates how wide these can be:

"In some cases the members may be totally committed to the
stated aims of the organisation. In other cases the
members may accept the goals as belonging to the
organisation and feel an obligation to contribute towards
these goals even though they have other aims which they
wish to achieve by means of membership. Very often in
these cases the organisation's goals are used as a
legitimating criteria by individuals in the organisation
to justify their plans and actions to others, even though
these plans and actions may have been devised originally
with a view to their significance for the individual's
goals. In other cases the goals of the organisation may
be nebulous and/or flexible, and the members may spend
much time discussing what they ought to be. In these
situations the members' own personal objectives in
belonging to the organisation may enter more openly into
the discussions about organisational goals than in either
of the two previous types of organisations. And
fourthly, the members of an organisation may disagree with
its stated aims, but have no option but to remain as
members. There are probably other types of
relationships which an organisation's members may hold
towards its goals."

Thompson (61) suggests that there is a need to
distinguish between values and norms as an individual may
fulfill what is expected of him, even though this does
not represent his values. Another aspect of significance
is that many professionals internalise the professions
norms through their training and initial experience,
particularly in an area where the environment signifies
change.

Pye (62) indicates that there are a host of factors that
would effect a member of staff's behaviour, including the
guest's manners; the employees moods; th way in which
other employees handle guests; the example set by senior
members of staff; and how busy the employee is.
Laurence and Lorsch (63) whilst recognising the importance of the interface between individual contributors and the organisation, also draw attention to the interface among groups or units within the organisation and the interpersonal relationships between individual contributors, these are further discussed in the section on structure.

Riley (64) draws attention to the idea that industrial culture has an influence on quality. An industrial culture is a set of meanings shared by a group of people to the exclusion of a wider society (65). This culture is derived from the technical processes of work and the organisation in which the work takes place. Parsons (66) argues that so long as individuals continue to attribute the same meanings to the nature of daily life at work and as long as new members learn to share these meanings, a 'cultural tradition' is maintained.

Riley (67) suggests that the degree to which an industrial culture becomes dominant is dependent upon three factors:

1) The rate of technological change as constant changes in work methods would not allow employees to build up a bank of shared meaning.

2) The degree of isolation from society, as where work produces isolation from society the values of work tend to dominate.

3) Degree of precision in the nature of the work and the degree of formalisation in organisation, as the more imprecise the work methods and standards, the more unstructured the communication system and authority relations, the greater would be the need for mutual understandings.

Riley (68) implies that these factors exist in hotels and draws particular attention to the degree of precision in the nature of the work.
"In hotels, performance standards are very imprecise involving such nebulous concepts as 'good service', 'hospitality' and 'cleanliness'. Satisfaction with 'cleanliness' for example, requires the chambermaid, the housekeeper and the customer to share a meaning of 'cleanliness' ... the subjectivity of performance standards requires a set of assumptions to be shared, in qualitative terms (taste) and supply, in qualitative terms (skill) about what represents a 'standard'.

Factors, which can cause an industrial culture to become dominant, certainly exist in some sections of the hotel industry, particularly in some departments. Care needs to be taken in examining the factors that exist in organisations before making the assumption this applies to all organisations in the industry.

5.5.2 The consumer as a 'human variable'

Shamir (69) in discussing hotel guests draws attention to their variety:

"Human beings are heterogeneous in their nature, their demands, their tastes and their expectations. People of different ages, sexes, with different purposes, beliefs, and attitudes have to be treated by the hotel, and they all bring with them into the hotel the effects of their involvement in other roles outside the hotel ... they present the hotel with many exceptions, and reactions to the hotel 'processing' often is unpredictable. In addition to their heterogeneity and unpredictability, their inflow into the system is much less steady or regular than the inflow of materials to most production organisations ... Moreover once in the hotel they exert different pressures on different segments (departments) at different times.

He (70) also emphasises:

"Clients sensitivity in hotels may be particularly high, since they enter hotels to get services they normally get at home, and in this sense, the hotel becomes a 'primary group surrogate'.

The user of services is often looked at in different ways, for example, Perrow (71) using a systems approach suggests that a hospital patient requiring treatment is an input
and that following treatment the output is a treated patient. Cutcliffe et al (72) similarly treat a hungry customer with money as an input and a fed customer with less money as an output. Others appear to assume that care and the custody of the patient or the provision of the meal experience are outputs, which are then consumed by the user. The approach which treats the user as a part of the system although much more complex is a more useful way of illustrating that the consumer, together with other factors can be a significant variable which effects the outcomes of the organisation.

5.5.3 Interaction between employees and consumers

Riley (73) in developing his ideas on industrial culture stresses that in the case of hotels, not only workers and managers but also customers are party to the workplace culture and draws attention to the influence of Europeans on hotelkeeping, he suggests:

"The 'European tradition' entered hotels through both the front door and the back door. The tradition originated with the obsession of the eighteenth century upper classes with European and especially French, culture (haute couture, haute cuisine) and became the dominant culture of the great houses of the period. The effect of these existing on an elite class subscribing to a foreign culture was to induce, through a process of social evaluation, servants to adopt the same culture. What reinforced this process was the institutional character of the great houses and the fact that servants, sharing the values of their masters and having knowledge of a foreign tongue, became isolated from their own social class. All those who inhabited the great houses and later the 'grand hotels' shared a culture not available to others. It became available to others as the great houses declined and the hotel industry grew. The upper and middle class patronized hotels and brought their culture with them and at the same time servants transferred their skills from domestic to commercial service based on the same culture. The net result was to give hotels a distinct French culture with the language describing not just the menu but also occupations, the work ethic and the mode of technology".
Riley (74) raises the question of whether a set of shared assumptions are required if service is to be maintained, and that to do this hotel workers need to have experience as consumers of a similar service.

Farrell (75) when examing communication between provider and user also focuses on this point when he shows the difference between the roles played by staff and the needs of customers in America:

"Much time, effort, and activity are spent by people employed in food-service establishments to create and to play a role which the customer neither desire nor appreciate. Dreams of the nineteenth century servant in English country houses and medieval French chateaux influence the ideal standards set for some waiters and waitresses by themselves and by management ...

In general, the American customer wants to be assisted to purchase food as he does a good book, by a friendly, courteous, helpful, well bred, self respecting human being, and to have his food and drink delivered to him with promptitude, care, and good manners".

Farrell (76) concludes that:

"The quality of communication at the end-point, with the customer, is a function of the server's conception of his role and the effectiveness of many interchanges of information prior to his contact with the guest".

Thompson (77) suggests that for jobs requiring flexibility in uncertain situations that the specific content of the education and prior experience is less significant than that the individual holds values and loyalties deemed important by the organisation. It seems likely that individuals do not necessarily need to hold the values of the consumers as long as they are able to recognise and respect other peoples values. Thompson also suggests that self sufficient sub-units should span the interface between the organisation and form a close contact with a limited number of customers. Shamir (78) draws attention to why this may not be desireable:
"Hotel workers have intimate and direct contact with guests. Like nurses, they make beds, serve bedside meals, and come into contact with personal habits and personal articles. It is possible that they too have to defend themselves against potential anxieties inherent in these relationships.

Work is divided so that no single member of the staff performs many tasks for one customer, and the chance of close relationships between customers and members of staff being formed are reduced in many other ways.

Voluntary turnover of hotel workers can be seen as a defense against potential anxieties that may arise from becoming too involved in their workplace.

Customers may be especially threatened by intimate and personal relationships.

This anxiety must exist in some hotels, when the length of stay and the time spent in the establishment are high. However, it is unlikely to be very strong in the majority of establishments where this is not the case. The shorter working week is further reducing the contact between customers and particular members of staff.

Shamir (79) suggests changes in the technology variable to reduce the anxiety.

"... more and more of the truly programmed contacts with clients should be given over to machines - while the more 'heuristic' contacts should be placed in the hands of increasingly well trained semi-professionals within supportive organisational frameworks".

Sasser (80) stresses the importance of motivational mechanisms as well as structure in influencing the behaviour of both managers and employees to consumers in service organisations. Shaw (81) also points to the importance of motivation in maintaining quality in service industries:

"Committed people are motivated. They care.

Committed people don't need to be directed in what to do in their jobs. As part of their commitment, they will figure out what is needed to produce satisfaction among customers and within their organisations, then do it on
their own. Committed people don't have to be inspected to assure the quality of their performance. Quality is important in the attitudes of committed people. When people are committed, they are productive."

Riley (82) argues that a form of motivation of staff is when assumptions between customers and staff share an appreciation of high skills required to provide a service. He suggests to deskill is to demotivate unless management finds an alternative way to motivate staff.

Riley (83) suggests that hoteliers should either actively promote their services requiring the highest of skills from their staff and give special attention to pay differentials so that skilled staff can be enticed back from other labour markets; or to substitute those high standards of skill by things (swimming pools, suites, videos, sauna) and 'touches' (mints on the pillow, wallpaper and crayons for children, Malvern Water in the public loo, etc.)

Shaw (84) suggests that the stimuli to gain commitment must come from management policy and Farrell (85) indicates how the traditional approaches can have a negative effect:

"A line-up for inspection by a supervisor, before a watch goes on the floor, of itself shows management concern for appearance. It also tells employees that management trusts little to the responsibility of the people who make up the watch. Consequently, and especially if other activities of management are similarly conducted, people on the floor are unlikely to feel much responsibility for any goals of the firm".

Shaw (86) suggests that top-to-bottom commitment can be achieved by transferring the ownership of good ideas, and identifies that a most effective technique has been applied in a number of Japanese organisations. Shaw (87) argues that one essential for transferring ownership lies in transferring credit:
"Management doesn't have to own all the good ideas in an organisation. The people who are implementing the ideas should be able to identify with them, to gain a sense of fulfillment. This can be extremely difficult concept to grasp and implement. There is a natural tendency to take credit for innovation and success. Sharing success is an acquired but constructive habit".

O'Neill (88) also draws attention to a technique which involves the grassroots and is probably the one identified by Shaw:

"Quality circles is a grass roots problem solving approach and as such must start at the grass roots and work its way upwards".

The technique also improves communication, the importance of which is stressed by Moreo (89):

"There is a need, then, for the conscious and systematic development of communications and consultations to allow all members of the organisation some degree of genuine participation in management".

Farrell (90) also focuses on the importance of communications and how this relates back to customer satisfaction:

"The communications of concern are those subtle, pervasive, intangible interchanges which define and produce roles, create atmosphere, generate morale, and govern the critical qualitative aspects of food service. These communications ultimately determine customer satisfaction and directly affect profitability".

Moreo (91) also brings attention to the importance of the interrelationship of the organisation variables that affect the outcome from an organisation:

"Of what value are any of these alternatives (human relations programmes, training programmes, pseudo-participative management) if they are not integrated with and supported by an intelligent and meaningful organisational structure and system of control".
The formal aspects of these interfaces will be discussed under the structure of organisation. It is also clear that other elements to be discussed later such as structure and technology can have a significant effect on human behaviour.

5.5.4 Conclusions

An examination of this variable suggests that participants can dramatically affect the outcome of an organisation so that in any attempt to predict the likely changes in quality of service an assessment of the significance of the influence of the participants needs to be taken into account.

The participants, both providers and users, will be affected by their interaction with the environment external to the organisation and normally to a lesser degree by their interaction within the setting of an organisation.

The providers will have different values and varying levels of commitment to the goals of the organisation. The nature of the work culture and the balance between machines and people (the technology) will have an impact on the role played by the providers and the degree of control that can be exercised by the management.

The users will have different values according to their own background and will be particularly sensitive when consuming these services which satisfy the primary needs of individuals.

The impact of individuals will depend upon the degree of contact between users, between providers, and between the values and norms of the individuals involved.
The ways of bridging differences or integrating views will vary and could include gaining commitment through adopting high skills which generate commitment through a feeling of shared meanings, through more careful selection of people with similar values, through improved means of communication or through participatory problem solving techniques such as quality circles.

It also appears that the success of these approaches depends on the techniques and policies adopted for the other organisation variables such as goals, environment, structure, technology and control.

5.6 TECHNOLOGY

Technology when considered as a variable of organisation theory is described by Reeves et al (92):

"... the collection of plant, machines, tools and recipes available at a given time for the production task and the rationale underlying their utilisation".

In this context the production task:

"... is the precise specifications of goods which are to be produced by technology".

Thompson (93) develops this by suggesting that not only technology concerned with desired outcomes but also the state of man's knowledge and beliefs about cause/effect relationships.

Reeves et al (94) also suggest that the technology of an organisation at a particular time, can be described as a result of a series of management decisions to serve specific markets, to acquire or build plant, to accept certain types of raw materials, and to address the organisation to certain production tasks.
Technology according to Dubin (95), is to be seen as the central determinant of behaviour, and although Woodward (96) set out to eliminate technology as a explanatory variable by controlling it, it was found impossible to do so. Davies et al (97) challenges the technological deterministic approach and argue:

"...there is a wealth of empirical evidence to the contrary and what seems to happen is that technology is very often a partial predictor".

Dubin (98), in suggesting that technology can be divided into phases seems to have drawn upon the ideas expressed by both Woodward and Thompson. The two phases were:

1) Tools, instruments, machines, and technical formulas basic to the performance work.
2) Body of ideas which express the goals of the work, its functional importance, and the rational of the methods employed.

This appears to be a useful distinction to use when analysing a technology. Woodward (99) gives further ideas to be used in such an analysis when indicating that technology is dependent on a number of factors; the nature of the product, the range of the products, the market served and the techniques and hardware available to process the raw materials and components, all of which can be sources of uncertainty. These are further extended in a schedule of information used by Woodward(100) in analysing the technology of firms. Davies et al (101) also suggest that another factor is the timing of decisions:

"In process production for example, it was found that nearly all design and programme decisions were made while the process plant was being designed and virtually no decisions of this nature needed to be made once the plant was in operation ... In unit production the opposite was found to be true, all programming of tasks being carried out concurrently with production".
Woodward (102) following an analysis of a number of manufacturing firms proposed eleven categories for their classification. These are listed in order of chronological development and technical complexity. In studying the characteristics of these categories some showed a direct relationship with technical advance other surprisingly rose to a peak in the middle of the technical scale.

The ones showing a direct relationship were: the length of the line of command; the span of control of the chief executive; the percentage of total turnover allocated to the payment of wages and salaries; and the ratio of managers to total personnel, of clerical and administrative staff to manual workers, of direct to indirect labour, and of graduate to non-graduate supervision in production departments.

The ones showing a peak in the middle were: the size of span of control of the front line supervisors in production departments; the ratio and relative status of skilled, semi-skilled and unskilled workers; management systems and organisations; use of specialists; production administration and control; methods of communication.

Woodward's (103) studies further indicate that most successful firms in each category had organisational characteristics in common. Those in the middle of the technical range tend to be mechanistic whereas those outside the range were organic.

It might be assumed from this classification that all firms will move to adopt a process system. Woodward (104) reminds us that standardisation, specification and simplification are the ideals which have contributed to an increased standard of living; but that this increased standard of living is likely to generate a greater demand for goods manufactured to customers' individual requirements.
As this classification was based on manufacturing firms it does not accommodate the technology or technologies of hotel and catering. There are a wide diversity of firms offering services in the hotel and catering industry, some offering simplified standardised services and others responding to the individual requirements. This points to a need to identify categories of hotel and catering firms and to determine whether successful firms have common organisational characteristics.

Thompson (105) suggests a wider classification than Woodward, which is concerned solely with manufacturing, which may be helpful in identifying such categories. He classifies technology as follows:

1) long linked technology;
2) mediating technology;
3) intensive technology.

Long linked technology - this involves interdependence and appears to embrace all manufacturing technologies identified by Woodward.

Mediating technology - this involves the linking of clients or customers who are or wish to be interdependent e.g. the banks that link depositors and borrowers, the insurance firm that link those who would pool common risks, the post office that links those who wish to communicate.

Intensive technology - this involves a variety of techniques drawn up in order to achieve a change in some specific individual or object; the selection, combination and order of application are determined by feedback from the individual or object. Success rests on in part, the availability of all the capacities potentially needed but equally in the appropriate custom of combination of selected capacities as required by the individual, case or project.
It is the third, and possibly the second class, in which hotel and catering activities seem to fall and for which it may be possible to evolve categories by applying an approach similar to the one developed by Woodward. An analysis would help to indicate whether hotel and catering firms can be categorised across a number of very different categories similar in scope to those in manufacturing or whether they form a cluster or clusters in one or more categories. This would be a useful indicator to whether common or different characteristics were likely to contribute to success.

Woodward (106) as well as developing a classification for manufacturing organisations also broke down manufacturing technology into management tasks (development, production and marketing) and management functions (personnel, planning, control and inspection).

Suggesting that the tasks could be independent, whereas, the functions were interdependent. She also suggested that in different categories of manufacturing technology there seemed to be one task that was central and critical to success of the organisation; and the firms that reflected this in the status of this department appeared to be the most successful. These were identified as indicated in the following table.

Table 5.3 Characteristics of production systems

<table>
<thead>
<tr>
<th>Production system</th>
<th>Manufacturing cycle</th>
<th>Most critical function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit and small batch</td>
<td>Marketing</td>
<td>Development, Production</td>
</tr>
<tr>
<td>Large batch and mass</td>
<td>Development</td>
<td>Production, Marketing</td>
</tr>
<tr>
<td>Process</td>
<td>Development</td>
<td>Marketing, Production</td>
</tr>
</tbody>
</table>
This suggests it would be worthwhile trying to determine whether a critical function could be established for different characteristics of mediating and intensive technologies. A closer understanding of these factors are not only helpful in the appraisal of an organisation but also makes it possible to plan organisational change simultaneously with technical change.

Thompson (107) also raises the key issue of how an organisation finds and maintains a viable technology to satisfy demands which may be changing:

"In the society geared to complex organisations, technologies change as cause/effect understanding change; hence a technology that was effective yesterday may be inadequate to-day. Or yesterday's viable technology may be viable again to-day but with a different set of partners, a new task environment.

Questions of what technology to retain, which to expel and which to adopt may not be daily matters for any complex organisation, but they are potential problems for every organisation in a modern society, and we see no reason to believe that they are solved spontaneously or via the closed logic of the rational model".

This reinforces the need for adaptive structures as well as the supportive structure to maintain the present technology. Hickson et al (108) also point to the link between technology and structure and suggest that this is probably more complex than Woodward suggests.

It appears that technology is an important though not deterministic variable that can have an impact on quality of service and that the technology is likely to be different according to the degree of uniformity and nature of the service required by the consumer and the degree of involvement in the service system whilst consuming the service. Further that the balance of when the decision making is made on the quality of service will depend upon whether this is principally controlled by the design of the service process or by the provision of the services. The decisions of the kind of technology that is adopted will also have an impact on the other variables, particularly structure and control.
From the information available it is not possible to create valid categories of services without further research or to determine what functions are the most critical in controlling different types of service organisations. This, it is suggested, could be a valuable area for further research.

5.7 STRUCTURE

Shaw (109) suggests structure is important in the context of quality and that structural changes should be a priority when improving quality:

"... if management wishes to improve quality and productivity to make people more responsive to customers' needs, organisational relationships are the place to initiate changes. These should precede changes to either management or operational controls".

He also stresses that organisation change:

"... can be achieved in less time than other management changes, such as development of facilities or systems. However, to realise results from organisational design, the people involved must be sensitive to and cognisant of the projected outcomes".

Although structure appears to be important and it may be appropriate in most circumstances to tackle structural changes before changes of controls it must be recognised that other variables also influence quality and that in different circumstances different variables require to be considered as priority.

Child (110) refers to the long standing confusion between the terms 'organisation' and 'structure'. In this context the word 'organisation' is used in the context of the whole entity and structure as defined by
Bradley and Wilkie (111) is the established pattern of relationships among the components or parts of the organisation.

Laurence and Lorsch (112) when discussing structure as defined above gives the following definition:

"An organisation is the co-ordination of different activities of individual contributors to carry out planned transactions with the environment".

Bower (113) using the description organisational design gives a similar but broader definition:

"... a process for the development of a plan of organisation which provides the harness that helps people pull together in performing activities in accordance with strategy, philosophy and policies".

Shaw (114) puts this in a wider context when he suggests that the role of organisation design is to assure a matching of the organisation with its mission, and that the desired outcomes and culture of the business be utilised as a framework for organisational design. Further that where the outcomes are individually rendered services, organisation design must be planned to assure high levels of quality and productivity.

Shaw (115) within this context gives the following definition:

"Organisational design establishes the human resources framework and the relationships necessary to bring resources to bear upon the achievement of goals, objectives and plans ... organisational design establishes the responsibilities and allocates the resources for getting there".

Sasser et al (116) draws attention to the fact that different types of service organisations have different structures. They suggest personal service organisations have a flat unstructured hierarchy with loose subordinate-
superior relationships with broad discretion at all
levels whereas a consumer service organisation has a
rigid pyramidal hierarchy with standard operating
procedures and close top-down control.

Lorsch (117) suggests that structure can be
broken down into the basic structure and the operating
mechanisms and Child (118) adds a third dimension which
he calls the decision making mechanism. Child further
breaks these down into the following components:

1) The allocation of tasks and responsibilities to
individuals, including discretion over the use of
resources and methods of working. Structural
features here are the degree of job specialisation
and definition.

2) The designation of formal reporting relationships
determining the number of levels in the hierarchies
and the spans of control of managers and
supervisors.

3) The grouping together of individuals in sections
or departments, the grouping of departments into
divisions and larger units into the total
organisation.

4) The delegation of authority together with the
associated procedures whereby the use of
discretion is monitored and evaluated.

5) The design of systems to ensure effective
communication of information, integration of
effort, and participation in the decision making
process.

6) The provision of systems for performance
appraisal and reward which help to motivate
rather than to alienate employees.

Shaw (119) takes a rather different approach to
organisational design when he suggests it can be applied
at three levels within an organisation:
1) the level at which the organisation deals with its environment;

2) the level at which the organisations within an enterprise deal with each other;

3) the level at which individuals relate to the organisations of which they are a part.

Laurence and Lorsch (120) also suggest a framework which embraces these three levels and add a fourth the interpersonal relationships between contributors. The four components are given below together with a framework which symbolises the model (Figure 5.1):

1) The interface between individual contributors and the organisation.

2) The organisation-environment interface.

3) The interface among groups or units within the organisation.

4) The interpersonal relationships between individual contributors.

Figure 5.1 Conceptual framework of the structural design of organisations

In the figure individual contributors each responsible for a specific task are represented by a dot. These are grouped by triangles into organisational units. The circles represent areas of the environment which certain contributors are linked to indicate their specialised task
of conducting transactions with a specific area of the environment. Each unit will have developed different characteristics, depending upon its part of the environment. Lorsch (121) suggests that to operate effectively, an organisation requires an appropriate basic structure indicated through organisation charts and job descriptions and operating mechanisms, such as control procedures, information systems, standardised rules and procedures. The four components of this model are now examined.

5.7.1 The interface between individual contributors and the organisation

At its inception, any organisation is an expression of its individual founders. Once an organisation is launched, it generates a need for additional contributors who in turn influence the strategies and goals of the organisation.

It has already been stressed that individual contributors are complex and may have different motives. These arise from different needs and experiences which give rise to interpreting situations in diverse ways. This is further underlined by the following statement by Schein (122) suggesting that managers should, with individual contributors:

"... be prepared to accept a variety of interpersonal relationships, patterns of authority and psychological contracts".

This links closely with the conclusions that have been drawn relating to goals, environment and human variable.
5.7.2 The organisation-environment interface

Shaw (123) stresses that:

"The major thrust of organisational design for a service enterprise in a dynamic environment should be to link up its organisation as tightly as possible with that environment."

This interface includes transactions with consumers, suppliers, potential employees, public agencies and providers of capital. Burns and Stalker (124) suggest that 'a mechanistic system' of management practice is appropriate for a stable environment and 'an organic system' for a changing environment. Thompson (125) identifies two dimensions that affect the certainty and uncertainty of the environment: homogeneity vs heterogeneity; stability vs shifting. He also suggests that where there is a high degree of uncertainty this leads to a scattering of discretion among a number of self-sufficient sub-units, especially when the surveillance capacity is limited.

An effective environment organisation interface means the proper division of activities which the organisation finds necessary to carry out transactions with its environment. This grouping of jobs of a similar nature is defined by Laurence and Lorsch (126) as differentiation, and where the environment is varied wide differences would be expected between the nature of the groups.

Shamir (127) suggests that hotels are highly differentiated as predicted by Laurence et al, but that it is according to function and not according to customer, in contrast to the proposition drawn from the Thompson model:

"... that an hotel should be organised in autonomous sub-units each dealing with a limited number of customers, and each containing all the functions that have to be provided to these customers."
Shamir (128) suggests that the hotel has a 'seemingly mechanistic structure' and suggests that the reasons for this are: tradition; division of labour; mask and as a form of control.

Smith (129) in common with Thompson suggests that where the interface between the front line of the organisation and the environment is stronger than the interface between groups there is a decentralisation of the executive process.

Smith (130) refers to this type of structure as a front line organisation where organisational initiative is located in independent front line units, and where there are obstacles to the direct supervision of the activity of such units.

The dilemma of those who occupy positions at the centre of such organisations is described by Smith (131):

"The dilemma of those who occupy central positions is that they are responsible for making policy and maintaining standards of performance for the organisations as a whole, while occupying positions from which this responsibility can least effectively be exercised ..."

Smith (132) suggests the dilemma is solved by strengthening the pattern of operational control and reducing the authority of the front line units. Two suggested ways in which this can be achieved are by establishing effective training and through communications.

Training designed to encourage the individual to internalise standards of commitment and levels of competence and communication procedure aimed at receiving a free flow of upward and downward communication.

Other ways suggested by Smith (133) are quality inspections; the use of charismatic figures; and recruitment and selection, procedures which exclude personnel without the appropriate
training and experience. The majority of ways suggested by Smith for resolving the dilemma do appear to change the patterns of control but do not necessarily reduce the authority of the front line units.

It seems likely that the diversity of users will fall into groups some of which will have fairly uniform needs and some very different needs. For this reason it seems likely that some service enterprises will require a mechanistic structure and some an organic structure with self-contained autonomous sub-units. A large service enterprise serving a number of markets may require both and this will cause further complications in the interface of groups, some of which may be insurmountable.

5.7.3 The interface among groups or units within the organisation

Shaw (134) suggests that:

"Once an organisation has adopted a division of labour to deal with its environments, there is a need to figure out from the organisational units which have been created work together and communicate with each other".

Laurence and Lorsch (135) similarly suggest that organisational units need to be both divided (differentiated) and co-ordinated (integration).

The internal characteristics each group develops will depend upon the certainty of the environment. Units with a similar degree of certainty will be fairly similar in their practices and attitudes. Units which are more differentiated can be expected to show different behaviour patterns and ways of thinking, which often generate intergroup problems, sometimes serious, particularly where units are highly differentiated. The integration process must cope with these issues at achieve unity of effort.
The need to determine which units are required to work together has to be established. Following this, the form of this integration, where there is little differentiation, can probably be achieved through procedures and rules. However, in areas where close co-operation is required and where there is a high degree of differentiation between the units, supplemental integrating devices such as individual co-ordinators, cross unit teams or even integrating departments may need to be considered.

Conflict can inevitably arise and the success of integration depends upon the extent individuals or groups of individuals resolve their conflict. To be managed effectively, the level of resolving conflict should be concentrated on the level where the knowledge to reach decisions exists. Effective conflict management occurs when individuals deal openly with conflict and work the problem until they reach a solution which is best in terms of organisational goals.

Likert and Likert (136) in their link pin theory argue that interaction to resolve conflict is most effectively achieved when cohesive work groups with high performance goals are linked together by persons holding overlapping membership.

Shamir (137) assumes the whole hotel industry operates in an uncertain environment and argues that:

"... we would expect to find some sophisticated integrating mechanisms to co-ordinate the activities that serve the same customers. But we cannot find such formal mechanisms".

He appears to assume that the mechanisms should be formal, those normally found in a bureaucratic organisation, although he does point at informal mechanisms when he (138) suggests that:
"... there are various accepted practices that are totally 'organic' in nature and are used by the hotel to retain its flexibility and ability to cope with unpredicted pressures".

It is probable that these apparent contradictions illustrate the different environments in which hotels operate as well as the varying degrees of uncertainty of different interfaces with a hotel and the difficulty of integrating these groups towards common goals. It does underline the importance of properly differentiating the tasks involved in meeting the customers needs and then according to the degree of differentiation determining the most effective means of integration.

5.7.4 Interpersonal relations between individual contributors

The interface of groups of individuals and the question of resolving conflict have already been studied. A useful way of thinking about the interpersonal relations between individual contributors is studying the differences of patterns of contact of different management jobs as developed by Stewart (139). Different categories of contacts such as boss or subordinates make different demands upon the manager. The figure below indicates the different categories of contact. The lines show the forms of boundary crossing the job may involve, both internally between different groups and external contacts with the outside world.

Tasks that involve contacts in other departments and with people outside the organisation will usually require the job holder to adapt to differing, and often conflicting, sets of expectations of what he should do. Such jobs are likely to be more stressful than internal jobs with contacts confined to one department. The most
distinctive boundary is that regarding the organisation from its environment; jobs that bridge that can make the greatest demands on the job holder's skill in adapting outlook and approach to his contacts.

Figure 5.2 A manager's possible contacts

In a service organisation it appears that it may be that the front line staff are the ones with the most stress. If this is the case this points to the need of supervisors and managers to recognise the implications of this.

Shaw (140) has developed an approach to designing the structure of a service organisation. He suggests organisation structure:

"... inverts the conventional organisation chart. The customer is at the top, served by teams organised around customer segments or characteristics. Each team is self contained with access to virtually all of the resources necessary to serve its customers".

Shaw (141) suggests:

"Organisational design should be a process for accomplishing customer satisfaction and for promoting motivation and pride among employees rather than being limited to acceptance and adoption of techniques currently in vogue".
Although Shaw argue that all transactions are unique and individual, it is likely that in some service situations there will be a high degree of uniformity of need, which will not require the degree of flexibility implied. In uncertain situations as Shamir (142) recognises it may be desireable to reduce the anxiety of the organisation-environment interface by breaking up the contact between the user and the human bearers of the service.

Taking these provisos into account it seems appropriate to adopt the approach outlined by Shaw and to determine first of all the socio-technical system for providing the service to a market segment of customers.

There seems no doubt that the structure of an organisation has considerable impact on the matching of an organisation with its mission of providing service quality which leads to customer satisfaction.

There appears to be a contradiction between present theory and practice within the industry. It is not clear whether present practices have evolved as a response to the changing environment and are the most appropriate or whether they reflect that organisations have been unable to respond and are based on tradition or historical accident. Further investigation needs to be conducted in this area, although it seems likely that the contributor reflects the different needs of the various market segments who use the hotel.

What seems likely is that structures will vary according to:

1) The speed of change in the tasks, task and general environments, as this will require different supportive and adaptive mechanisms.

2) The degree of uniformity and or variety in the services offered.
3) The percentage of total time that the services are available.
4) The length of time consumers are within the service system.
5) The length of time consumers have contact with human bearers of the service system.
6) The size of units and the company.

5.8 CONTROL

Moreo (143) defines control as:

"... any process in which a person or group of persons or organisation of person determines, that is, intentionally affects the behaviour of another person, group or organisations".

This broad definition makes no specific reference to aims or objectives. Reeves et al (144) define control as referring solely to the task of ensuring the activities are producing the desired result. Control in this sense is limited to monitoring the outcome of the activities, reviewing feedback information about this outcome, and if necessary taking corrective action.

Planning, setting standards, and issuing prescriptions for action are all prerequisites for control and for this reason the term of managerial control system is often used to embrace all of these activities. Eilon (145) points out that any system of managerial control contains four elements - objective setting, planning, execution and control. Shaw (146) also suggests four elements: establishment of plans; feedback on performance in comparison with plans; control mechanisms for corrective action on the basis of feedback; and a system of rewards.

Moreo (147) suggests that for years we have subscribed to Taylor's philosophy in which the major criterion is management's ability to work its will, when perhaps a
better test of control would be the ability of the organisation to conform itself to its goals.

Davies et al (148) suggests that control systems are not only constrained by technologies but also that they are man-made attempts to perceive and cope with a technology and thus intervene between technology and behaviour. This means that they must be influenced by values, history and culture.

In this context Thomas (149) suggests:
"We still have much to learn about the nature of control both from the technical and psychological points of view. However, a closer examination of the problem associated with the production of quality can serve, perhaps, as an introduction to the more complex problems of developing effective control within the total social and technical system of a company."

Two related ideas lead Reeves et al (150) to suggest that for manufacturing firms the control system may be the underlying variable linking technology and behaviour. The first idea was that it might be possible to position a firm on a scale ranging from completely personal hierarchial control at one extreme to completely mechanical control at the other. Between these two extremes come the administrative but impersonal control processes. It seems that the assumption of managerial control being exercised through a pyramid of hierarchial authority becomes increasingly invalid as a firm towards the mechanical end of the scale. The introduction of increasingly complex and sophisticated control mechanisms ensures that more and more of the problems arising in the course of the firm's manufacturing activities are predicted and dealt with as a part of the planning process.

The second idea that seemed to be important to Reeves et al (151) was the extent to which various control processes were linked with each other. It seemed possible to envisage control systems ranging from a single integrated system of control at one extreme to a multi-system of
fragmented control at the other. This second scale has behavioural implications. One result of extreme fragmentation seemed to be that the performance and adjustment mechanisms relating to the design and programming system to the execution system seemed to break down. Production could become completely disassociated from the planning and control elements in the system and an independent set of informal mechanisms of performance and adjustment generated. The design of procedures for setting standards and measuring actual against anticipated results then became a separate activity, carried on for its own sake, it was paper work system bearing little relationship to production reality.

Reeves et al (152) linked these two aspects of the control process together and evolved a classification of control systems. The four categories were:

- **A1** Firms with unitary and mainly personal controls;
- **A2** Firms with unitary and mainly impersonal administrative or mechanical controls;
- **B1** Firms with fragmented and mainly personal controls;
- **B2** Firms with fragmented and mainly impersonal administrative or mechanical controls.

It was found that there was a close connection between Woodward's categories of technology and control systems.

Reeves et al (153) indicate that in the multi-system control that there are a number of control criteria which people in an organisation are trying to satisfy at one and the same time. With these control mechanisms operating in parallel, and the different goals not always being compatible with each other, the supervisor's main task is to violate such of the standards as infrequently as possible. Furthermore, he will presumably rank his goals in a diminishing order of nuisance value, depending on the expected outcome of failure, frequency of past failures, the latitude that each goal provides and the
relative power positions of the people he is trying to satisfy. Lesser goals may be sacrificed at times to ensure that other critical ones are attained, and in any one field there is little incentive to be better than the goal specified.

Turner (154) in examining the conflicts between the control of costs, quality and time in a manufacturing factory, suggests that systems need to be designed so that the levels set are realistic and practical to apply in the production situation.

Another important link with other organisational variables is identified by Shaw (155). He suggests:

"The greater the division of labour and the lower the role of the integration required the more essential to overlay the organisation structure with management controls. Thus, once it has been decided how an organisation is to be structured, it becomes essential, before any interpretation takes place to plan for the controls which will monitor the altered organisation".

Davies et al (156) identifies another variable to be taken into account when determining control systems is that of uncertainty in the environment.

A suggestion that control relates to the human variable another dimension is raised by Rotter (157) who in:

"... examining individuals' loci of control, discovered that people fall into broad categories of control orientation. They have either an internal or external view of their own loci of control; that is; they think they are pretty much in control of what they do or they perceive that fate or powerful others (e.g. 'they', 'the company') exert control over their actions and abilities.

It would seem ... desirable for organisational members to have the same or a similar control orientation as the firm itself has".

This presumably also applies to customers and identifies the need to determine the preferences of both the user and
provider of the services.

The technical and social system in service industries is particularly complex as illustrated by Shamir (158) example in the hotel industry:

"Hotels cannot fully control their customers' inflow and behaviour, nor can they control their staffs' exact gestures and attitudes towards the customers, and the direct exchange relationships that develop between staff and customer".

He also points out that:

"The customers' relatively high status and high degree of control reduce management's control over staff activities. This is particularly true with regard to direct contact between customers and hotel employees".

and suggests that hotels response is to:

"... put their staff in uniforms, ask them to perform certain rituals, and limit the scope of their contacts with customers by creating a highly differentiated structure so that each customer is served by several employees and each employee serves many customers".

Shaw (159) adopts an approach which resolves the problem of fragmentation identified by Reeves et al and is designed to cope with the complexity of service industries. This is based on Anthony's (160) framework of planning and control processes in organisations. A key conceptual point to note in the diagram of this framework (Figure 5.3) is the positioning of management control in its relationship to strategic planning and operational control. Further, information handling and financial accounting systems are shown as loosely related processes which are external to management control considerations.

Anthony (161) defines management control as:

"a process by which managers assure that resources are used effectively and efficiently in accomplishing the organisations objectives".
Internally orientated processes and operational control as:

"specific tasks are carried out effectively and efficiently".

Shaw (162) in developing Anthony's ideas suggests management control provides the vehicle to be sure the organisation stays on track in moving towards its goals and objectives, and to measure performance in meeting responsibilities set up through the organisation structure.
Shaw (163) to distinguish operational controls from management controls defines operational controls as the process of assuring specific tasks or transactions are carried out efficiently and effectively day by day and if necessary minute by minute. Shaw sees operational controls of an organisation function within the rules established by its management controls and the relationship with its organisational design, and that links between transaction processing and management control reporting should and must be informal as there are more differences than similarities between them.

This distinction between management and operational controls relates closely to Tannenbaum's (164) research which demonstrates that:

"... control is not a fixed quantity within an organisation. It is possible to allow more control to other levels of the organisation without decreasing the ammount of control which upper management exercises. In fact, he found that the total ammount of control can increase including control over self. It is possible for upper management, then, to have more real control over the organisation's realization of goals, and thus its effectiveness, rather than being bogged down in a quagmire of rules and regulations".

5.8.1 Management controls

Shaw (165) suggests management controls must conform to the unique demands associated with the delivery of services, a key characteristic should be that they anticipate market conditions and that they should measure quality as perceived by customers. The same management controls should also focus on the dollar profitability of the enterprise. Further since people constitute the most critical resource management controls which how well this resource is being employed. Ultimately a management control system should be designed to assure organisation's profitability is achieved through the rendering of quality services productively.
The importance of management controls are stresses when Shaw (166) suggests he has not seen a successful enterprise which lacked a management control system. Effective controls Shaw (167) suggests, should give a top manager confidence that subordinates are on top of those aspects of the operation considered to be important. Further the people who would use them should be heavily involved in their development.

Given the top down nature of management controls Shaw (168) suggests that it follows they should be implemented in stages from the top down as acceptance takes place and user confidence builds, this he suggests,(169) as long as the information provided is accurate, consistent and reliability reported.

Shaw (170) gives an example of a management control for measuring quality of service as perceived by customers:

"This organisation routinely samples a population of 2,000 established customers and 200 non-customers to evaluate reactions to new product and advertising programmes.

The same kind of feedback is invited by a number of quality hotel chains, which leave questionnaires in guest rooms and conduct separate surveys to measure customer satisfaction continuously".

The validity and reliability of controls of this kind were discussed in Chapter 4. Shaw (171) also stresses:

"Both the service organisation and its effective management controls must recognise and reward the contributions of non-managers who render services which are the end products of the organisation".

This links with the human variable already discussed.
5.8.2 Operational controls

Shaw (172) suggests that operational controls - a bottom up process - takes its direction from a system of management control. Therefore, it is difficult, if not impossible, to develop an operational control system without having a fairly precise definition of the management controls within which it will function.

The operational control process is really a system for processing. Its end result should be satisfactorily processed individual transactions performed in a timely, reliable and predictable way (173) from the customers point of view.

Managements concern on the development of an operational control system should center around the need for defining the quality of outputs to be realised so as to demand quality in system design and end results (i.e. where quality is built into the service rendered) (174).

The needs and requirements of operating employees - as well as those of customers - should be reflected in the design of an operations control system (175).

Shaw suggests (176) implementation of an operational control system requires these basic elements: management commitment; involvement or participation of those responsible for making the programme work; phasing - rate of absorption of change. Shaw (177) argues that quality is achieved because operational control actually becomes the working environment for the people rendering services.
5.8.3 Conclusions

It appears that a control system as a support activity needs to ensure an organisation:
- moves towards its goals and objectives;
- responds appropriately to changes in the environment;
- has an appropriate structure and effective work groups within the structure;
- has an overall effective and efficient socio-technical service system;
- meets satisfactorily the individual transactions in the service system.

To fulfill these objectives an organisation requires specific objectives for each of the other variables of an organisation and management and operation control systems. The link between the management and control systems should be a loose one but the operational system should be designed within the framework of the management control system.

The control systems should take into account the role of the customer in a service system and the uncertainty this generates. The management control system should be implemented from the top down as confident acceptance takes place, and the operational control system should be implemented by a bottom up process as this will not only gain commitment but ensure the style is appropriate to their personal preference of control systems. Both systems should be practical and realistic and take into account possible conflicting interests and goals.

In a wider context, there is a need to determine whether as findings have indicated in manufacturing it would be possible to classify control systems in services and following this to determine whether a correlation exists between service technology categories and control categories. This would enable predictions to be made on what kind of control systems are appropriate to firms with a particular technology.
Thompson (178) stresses the importance of administration in the following statement:

"... if complex organisations were simply natural systems we might expect spontaneous processes to handle their problems. If complex organisations were simply rational model machines, they would require designers to initiate them, but thereafter their operations would be automatic. It is because the organisation is not simply either, that we suggest that administration emerges as an identifiable and important process in modern societies".

Reeves et al (179) also regards the administrative system as a major portion of the social system of the organisation, including both the supervisory structure and other arrangements made to carry out and control the production of the organisation. Thus, in this interpretation the administrative system embraces both structure and control. Davies et al (180) gives a formal information system and rigid role definitions for managers as examples of administration.

Reeves et al (181) further suggests that the administrators and supervisors of a firm have to make a series of arrangements necessary for the achievement of the production task. On making these arrangements, they take into account, the nature of the work force available at the time, the state of technology of the firm and a cumulative residue of previous decisions about the task of a firm. The resultant arrangements for the programming and control of work will form the basis for the administrative constraints which will form the basis for the administrative constraints which will be based upon the individual employees.

Child (182) suggests that the most familiar and widely accepted form of administration is bureaucracy. Weber (183) suggests bureaucracy is based on the following six principles:
There are fixed and official jurisdictional areas which are generally ordered by rules.

Organisations have a strict hierarchial system of authority.

Administrations have a strict hierarchial system of authority.

Management presupposes thorough and expert training.

Bureaucratic activity is a full time activity.

The management of a bureaucracy follows general rules, which are more or less stable, more or less exhaustive, and which can be learned.

Merton (184) draws attention to the added difficulties that devotion to rules in a bureaucracy leads to their transformation into absolutes; they are no longer conceived as relative to a set of purposes.

Mansfield (185) points out:

"Especially in the service industries, there cannot be a rule or administrative procedure for every contingency arising internally or as interaction of the organisation with its environment, and the rules cannot avoid conflicting with one another".

Moreo (186) also stress that in the hotel, restaurant and institutional area that:

"... the work involves direct contact with a client whose needs may not always be predictable. Further if standardised rules and regulations are formulated for many sub-units (motor inns, restaurants, hospitals) of a large organisation each with varying clients and characteristics, the problem is compounded even more extensively".

Sasser et al (187) also identify several unique characteristics of service operations which make the administrative systems particularly important:

"1) Employee behaviour is often an integral part of the service product."
2) A service operations is particularly vulnerable to disruptions caused by the workforce, since anticipatory inventories cannot be built up as protection against such disruptions.

3) The simultaneity of production and consumption characteristic that gives rise to the multisite nature of most service firms, creates the need for managers and management systems to control highly decentralized operations to meet a single set of standards. The presence and often participation of the consumer at the point of production makes it difficult to establish standards for the output of a service firm.

Thompson (188) argues that:

"Perpetuation of the complex organisation rests on an appropriate co-alignment in time and space—not simply of individuals but of streams of institutional action. Survival rests on the co-alignment of technology and the task environment with a viable domain, and of organisation decision and structure appropriate to the domain;"

and that this co-alignment, is the basic administrative function. He suggests this is not a simple combination of static components. Each of the elements has its own dynamics governed by forces external to the organisation. He then goes on and states that survival comes from the finding of the strategic variables—those which are available to the organisation and can be manipulated in such a way that interaction with other elements will balance.

He concludes by stating that administration is a process flowing through the actions of the various members; spanning and linking levels and related to the interaction of levels and that this process must reduce the uncertainty whilst at the same time search for flexibility.

Conclusions drawn are that organisations are complex and require administration. Nature of administration concerns: authority; rules; regulations; and information systems. These need to take into account the other organisational variables: goals; environment; human variable; structure; technology and control.
Where the environment is a stable one, bureaucracy is probably the most appropriate style of administration, where there is a high degree of uncertainty or where the consumer directly involved in the service system is likely to be unpredictable the administration needs to be an organic one that gives sufficient authority to those in the front line.

5.10 CONCLUSIONS ON ORGANISATION VARIABLES

It appears that all the variables examined are interrelated and that a change in one or more of the variables may effect the quality of service. This has two implications, firstly when change to any of these variables are made for whatever reason it may have an unexpected influence on the quality of service. The second is that these variables can be used to bring about changes in the quality of service. Hegarty (189) suggests:

"... focussing on any one variable in an organisation is likely to lead to less-than-optimum results. What is needed is a way of dealing with the complex organisation as a whole".

The degree of control the organisation has on each variable and the speed at which change can be introduced is different and this needs to be taken into account when deciding what action to take. It seems likely that changes in the human variable, structure, control, and administration are likely to have most immediate effect, that the interrelationship of these is shown in Figure 5.4 it is likely these changes could be wasted unless there is a clear understanding of the nature of the environment, the goals of the organisation, the technology of the service system and the human variables involved, the interrelationship of which is shown in Figure 5.5.

The following are a summary of the specific conclusions for each variable:
Figure 5.4  Relationship between organisation variables: structure; controls and administration

N.B. Administration is concerned with the rules and regulations concerning structure and controls.

Key

- Organisation
- Management controls
- Operation controls
- Work group
Figure 5.5 Relationship between organisation variables: environment; human variable; goals and technology

Key

- Environments
- Organisation
- Human variables
- Goals
Environment - it is important to determine whether there is likely to be uncertainty in the three environments identified (setting, task, general), to determine the key causes of any such uncertainty, to determine who is responsible for meeting or reducing this uncertainty and to determine the supportive and adaptive mechanisms required to ensure that uncertainty is coped with.

Goals - it appears that the dominant coalition need to define goals that reflect the needs of the environment and should these include quality and customer satisfaction, and that effort needs to put into gaining the commitment of the individual members of the organisation.

Human variables - each individual participant can affect the outcomes of an organisation so that in any attempt to predict the likely changes in quality a mechanism needs to be able to assess the significance of changes in the participants. The effect on the 'setting culture' will be dependent upon the degree of personal contact between users, between providers and between providers and users, and on differences between values and norms of the individuals involved. Mechanisms are also required to bridge values or norms, these can include selecting providers who share the meanings of consumers or through motivating the providers to adopt norms that give satisfaction to the users.

Technology - it appears that the technology depends upon the nature and complexity of the service system, and the degree of uniformity. This influences the structure control and administrative variables. There is a need for research to determine whether particular structures, control systems and administrative procedures are most appropriate for particular service system technologies.
Structure - it appears that when the environment and the human variables are understood and the goals and technology adopted it is important to adopt a structure which is effective in differentiating responsibilities for meeting customers needs and integrating these variables. Present structures do not appear to follow present accepted theories, this is probable because of tradition and a lack of understanding of the needs expressed in the setting environment. This requires further research particularly in large companies where the centre is divorced from the links with the environment, in each unit.

Control - it appears that there are at least two dimensions to control which are only loosely linked. Management control which evolves from the top down as confidence grows and which is concerned with measuring the overall effectiveness of an organisation including all the organisation variables. Operation control which is concerned with each of the daily transactions between providers and users and subordinates and immediate superiors. The controls need to suit those involved.

Administration - it appears that an organisation operating in a stable environment requires a bureaucratic administration concerned with authority, rules, regulations, and information systems. Where more flexible demands are necessary an administrative machine focussed on the needs of the front line is required.

Shamir (190) also points out to the need for more research when he suggests:

"As we study different types of organisations and identify their structural solutions to environmental task and technological constraints, we may be able to suggest additional dimensions for the refreshment of existing contingency models".
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6.1 INTRODUCTION

This chapter examines the management functions which have a significant impact on the quality of products and services. In manufacturing quality control is a well established specialist management function and this is first examined followed by the reasons this function has not developed in the service industries. Although the quality function is not established as a specialist activity, parts of the function are often shared by a number of departments, including marketing, personnel and training, service operations and general management. Each of these functions and their responsibilities for the quality of service are now examined.

6.2 NATURE OF QUALITY CONTROL IN MANUFACTURING

The function of quality control has mainly evolved in the manufacturing industries and in this field there are differences of view in its scope. Jacobs (1) for example suggests its role is limited to a statistical method of measuring a deviation from the present standard of quality. Some see quality as one aspect of a wider concept of quality assurance. The Canadian Government's Quality Assurance Program Requirements define quality assurance and quality control as follows:

"Quality control means those actions which provide a means to measure and regulate the characteristics of an item or service to established requirements".

"Quality assurance means a planned and systematic pattern of all means and actions designed to provide adequate confidence that items or services meet contracted and jurisdictional requirements and will perform satisfactorily in service. Quality assurance includes quality control"(2).
Pickworth (3) suggests that quality control refers to those portions of the quality assurance programme that are concerned with the physical characteristics of the product or service, that measure and maintain it (or regulate it) so that it will conform to predetermined requirements.

Fetter (4) sees quality control as two related activities of any productive system. A decision sub-system concerned with the development of general and technical specifications for any product, related primarily to the marketplace and a second sub-system responsible for the conformance of output to specifications.

Juran et al's (5) view of quality control embraces a total quality concept and this has been further developed in Asplund's (6) integrated quality circle. This embraces marketing, product development, manufacturing and general management.

Balin (7) in a cycle he describes as the 'quality function' suggests that this obtained as a result of the sequential integration of the following partial functions:

- the marketing function, which requires full knowledge of the characteristics that the client, the market, the final user demand of the product;
- the technical function which starting with the aforementioned information will have to create the project or design which provides the most adequate engineering specifications for ensuring the quality of conception of the product;
- the factory making sure the product once manufactured, would maintain its characteristics in conformance with the original specifications;
- other departments responsible for the quality of the delivery. These are such matters as storage services, packaging and shipping of the installation;
- after sales servicing or product maintenance functions".
Gregory (8) in discussing the use of the technique 'Zero defects' reinforces the importance of the second function identified by Balin. This technique focuses on the analysis of the work process to determine how errors can be eliminated or avoided, rather than how it can be detected and corrected.

Evaluation is an important part of the quality control function and Pickworth identifies (9) three forms of evaluation used:

"Inspection - refers to the act of examining the product for the purpose of accepting or rejecting it. Inspection may be visual or instrumental. In either case it measures specific, isolated characteristics.

Testing - refers to the evaluation of the product or service.

Auditing - is designed to evaluate the system that produced the product".

Inspection is concerned with the third, fourth and fifth functions identified by Balin, testing with the first and second functions and in many cases also evaluating the products once in use, while auditing is concerned with all the partial functions.

The integration of the partial functions and the measurement of the effectiveness of each function as well as the overall quality of the product is both important and complex. A number of models have been developed to assist management in dealing with its complexity.

6.2.1 Quality models

In the literature survey a number of models of the management of quality were found and the usefulness and the limitations of these is examined. Thomas (10) suggests a model for quality control in which he stresses it can only be tackled adequately when seen as a part of the
larger process of specifying, manufacturing and marketing. He describes the context in a rather mechanistic and simplistic way as follows:

"A manufacturing company consists of shareholders, represented by a chairman and a Board of Directors, who select an executive to employ a group of people to make products and to market them. The group consists of managers, specialists, supervisors, and operators is so organised that it can specify the products which it aims to market, it can choose the production processes by which it will operate and control each manufacturing process to produce sufficient items of required quality, quickly and at a minimum cost. The ease with which the company sells these products will depend partly on the marketing methods, partly on its prices and partly on its ability to specify and make items which the customer wants to buy" (11).

The model that he describes as a simplified view of the various interacting activities (Figure 6.1), summarises the ways in which a company: formulate its policy; translates this into operational terms and; reviews the response to change (12).

Figure 6.1  Simplified view of quality control

This model although it identifies a number of important elements that need to be included in any model of quality that are listed below, does not adequately cover some of the elements of the external environment and the role of people:
1) some elements of the outside environment (suppliers and consumers);
2) a need for policy on quality;
3) a need for translation of policy into operational activities;
4) distinction between marketing and production specifications;
5) distinction between product and process; and
6) complexity of interactions.

Adam et al (13) have developed a model which embraces the dimensions already referred to product design, process design and production. A simplified part of the model (Figure 6.2) begins with a basic dichotomy of quality goals: potential quality and actual achievement of quality potential. Establishing potential quality is essentially a design or planning function whilst achievement of quality is an operational function. Between these two goals is the inspection, testing and quality programme of the organisation.

Figure 6.2  The dichotomy of quality goals
The model overall is based on the premise that several technical and behavioural variables have an impact on performance quality. In Table 6.1 (14) the specific environmental elements which can form this context are identified. Some similarities will be noted between the characteristics of quality discussed in Chapter 3 and also between the elements identified in the environment and technology variables of organisation theory in Chapter 5.

**Table 6.1 Environmental characteristics and constraints**

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<tr>
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<th>Social environment</th>
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<tr>
<td>A</td>
<td>Personal value systems</td>
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<td>B</td>
<td>Ethical considerations</td>
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<td>C</td>
<td>Social responsibility</td>
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<td>D</td>
<td>Taste and behaviour patterns</td>
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<td>Greater community influence</td>
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<th>II</th>
<th>Legal/political environment</th>
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<td>A</td>
<td>Regulatory agencies</td>
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<td>B</td>
<td>National laws, local ordinances and restrictions</td>
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<td>C</td>
<td>International considerations</td>
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<th>III</th>
<th>Technological environment</th>
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<td>Basic and applied research results</td>
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<tr>
<td>B</td>
<td>Engineering knowledge</td>
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<td>C</td>
<td>Management knowledge</td>
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<th>IV</th>
<th>Economic environment</th>
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<td>A</td>
<td>General economic conditions</td>
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<td>B</td>
<td>Labour market conditions</td>
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<td>C</td>
<td>Customer (competitive) market conditions</td>
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<td>D</td>
<td>Inflation</td>
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This model is valuable in distinguishing between potential quality and the achievement of quality, and in showing that the primary factors may be behavioural or technological.

A more complex model developed by Ruch et al (15) to illustrate productivity is particularly helpful in overcoming some of these limitations (Figure 6.3). Productivity and quality are often considered to be separate performance measures but in effect quality is one of the output dimensions of productivity. Across the top of the model, from left to right, output is influenced by primary factors, and so on. Of particular importance to productivity improvement is the column of organisational controllables. This suggests that product/process design, a technical factor, and behavioural factors of selection, training, supervision, communication, peer relationships, and rewards are identified as organisational controllables, which could be used to control quality.

Adam et al (16) suggest that this model might be modified so that the technical factors are highlighted conceptually in a manner that illustrates more of a technical/human contributions approach. They also suggested technology should play a more prominent role in the overall model. Such a model was developed by Adam et al (Figure 6.4) and through this model, management can make planning and operating decisions which through a chain of relationships will effect output quality.

Potential quality is the quality level that the process as designed, is capable of achieving under ideal operational conditions. It is a function of a great many design and input variables that have been combined and condensed into five primary factors: some technological and some behavioural: direct and indirect worker; supervision; materials; equipment and tooling and work environment (including process design, individual job design and layout).
Figure 6.5 A conceptual schematic model of factors affecting worker productivity

1. Output
2. Primary factors
   - Task capacity
   - Work study
   - Raw materials
   - Task design
   - Capital investment

3. Secondary factors
   - Individual capacity
   - Individual skills

4. Individual factors
   - Selection
   - Training
   - Supervision
   - Communication
   - Peer relationships
   - Individual attitudes
   - Individual rewards
     - Qualitative
     - Monetary

5. Organisational controllables
   - Product process design
   - Company policy
   - Management

6. Individual organisational demographics
   - Labour market
   - Labour union
   - Organisational demographics
   - Organisational character
   - Industrial engineering
   - Money market
   - Technology
   - Personnel knowledge
   - Human relations
   - National geographic industry & organisational comparisons of monetary reward

7. Files of information
   - Short range
   - Individual health & physical conditions, age, sex
Figure 4: Behaviour/Technology Model of factors affecting quality

- Performance quality
- Quality goals

Primary factors affecting quality:

1. Direct & Indirect worker: abilities & skills, knowledge, attitude
2. Supervision: abilities & skills, knowledge, attitude

Organizational controllable:

- Selection
- Training
- Reward structure
- Reward level

Potential quality:

1. Materials: specification, conditions
2. Equipment & tooling design, condition
3. Work environment

Primary factors:

1. Motivation
   - Monetary rewards
   - Non-monetary rewards
2. Quality & workmanship values
3. Demand for quality
4. Perceived instructions
   - Orientation
   - Training
   - Communication

Legend:
- Behavioural factors
- Technological factors

Job characteristics:
- Equipment and tooling set up
- Repair of equipment and tooling
- Operation planning and control

Participation and job enrichment:
- Design and control of set up procedures
- Maintenance and repair expenditure
- Planning, scheduling and control techniques, tasks
Achievement of potential quality depends on techniques of management and controls. It is also a function of a number of variables some technological and behavioural: motivation; quality and workmanship values; perceived instructions; job characteristics; equipment and tooling set up; equipment and tooling repair; operational planning and control.

From this examination of the definitions and nature of quality control and quality assurance and the models developed for manufacturing it appears that the appropriateness of the application of the following to service industries needs to be considered:

1) Whether the term quality assurance or quality control is used it should be assumed to mean a planned and systematic pattern of the means and actions designed to provide adequate confidence that items meet contracted and jurisdictional requirements and will perform satisfactorily in service.

2) Quality assurance or quality control is a combination of a number of partial functions concerned with potential quality and the achievement of potential quality.

3) Both potential quality and the achievement of potential quality can be affected by technical (task capacity) and behavioural (individual effort) factors within the organisation and from the external environment.

4) The controllables which will influence the technical and behavioural factors.

5) The appropriate ways of measuring inputs and outputs within the total system.
These factors appear to fit into a manufacturing industry where quality assurance is a well-established management function which is in contrast to service organisations which as Juran (17) points out exhibit the following features:

1) day to day regulation and decision making on conformance to standards are largely in the hands of line departments;

2) the concept of a separate staff of specialists in quality has only a minority acceptance;

3) the concept of a high level manager devoting full time to the quality function has only minority acceptance;

4) organised co-ordination of the quality function seldom exists in continuing form.

Juran (18) suggests that the approach to organisation for quality adopted as a result of these features is:

"... adequate for establishing specifications and standards, for planning of day to day controls, and for executing those controls. In addition, their approach to co-ordination appears to be adequate for dealing with crises and with specific agreed-on projects. However, their organisation forms do not appear to be well suited for programs for quality improvement since:

1. the concept of an organised approach to quality improvement has not been fully grasped;

2. their basic training in the nature of the quality function has been limited;

3. there is a lack of trained specialists to carry out the details of diagnosis for quality improvement."

It also appears from an examination of the nature of service that it is difficult to distinguish between the marketing of services and provision of services and from the earlier work carried out by the researcher to clarify that the role of the personnel and training function in assisting the operational departments responsible for providing services. These are examined before considering the application of quality assurance practice and theories developed in manufacturing to the service industries.
There is a wide assumption that the key function in maintaining quality is the training function, as illustrated by the following statements:

"A cause-and-effect relationship can be drawn between an effective training program and a hotel's repeat business" (19).

"Mr Lewis felt that training was of vital importance - that some form of basic training was imperative for all people opening up a restaurant or working in one. Often only the elementary training is required and this could even be given to people of low educational standards" (20).

"Mr Egon Ronay questioned the need for legislation and thought that a radically fresh look at training was required to introduce a higher status feeling among staff to give them professional pride and that the objective should be that a proprietor of an establishment should have passed some kind of examination or test" (21).

"This characteristic (heterogeneity) places a great premium on the quality control function of a service firm. Because the provider of the service usually comes in direct contact with the consumer, the education and training of service employees (the firm's sales personnel) are extremely important. In effect, such training is a key lever for quality control, since it is usually impractical to monitor the output of each service provider" (22).

"It may be an over-simplification. But I believe that the secret of high standards lies in two words: training and discipline. Whether it be the pilot of an aircraft or a chambermaid in an hotel, these are the two essentials if the job is done well. The worker must be properly taught how to do the job and there must be discipline to ensure that the training is faithfully put into practice, and this involves supervision. Where there is a falling off in standards, I believe the lack of good supervision is usually the root cause. One cannot promote value for money and business satisfaction by statute, nor by exhortation alone. Constant supervision must be the order of the day, and all too often it is lacking" (23).

Sasser et al (24) also stresses the importance of training and in contrast with the previous statement point to the difficulties of supervision:
"The service industries are generally labor intensive, and service employees are often difficult to supervise directly. Therefore, quality is a primary concern of the service industry workforce management. Training and incentive programs designed for improving the quality of the service delivery system can have important results. Employees need to know how to achieve quality performance. This is the task of training. A reasonable objective of an incentive program is creating the desire to achieve high quality as well as high productivity."

The nature of the supervision required is likely to vary according to the degree of uniformity of the service. The statements on the role of training appear to be at variance with the view expressed by the HCITB Hotel Sector Training Group when initiating the study to ascertain why operational standards had not improved even though considerable investment had been put into training. The views of the Hotel Sector Training Group do not appear to be supported by some American hotel companies, for example:

"A well-trained guest contact employee - one who has mastered the interpersonal as well as technical skills - is a tremendous asset to a hotel's operation and can greatly influence a guest's decision to return.

A guest often returns as a result of receiving very fast and efficient service - direct results of the technical skills taught during the training. Just as many times, however, a customer comes back because of the genuine friendliness of a hotel staff - an attitude which should also be learned during training.

Good eye contact, a pleasant tone of voice, effective choice of words, a smile, use of guest's name and good posture - all these seemingly small gestures on the part of service employees often add up to a very satisfied customer, one who returns again and again.

Many of these interpersonal gestures come naturally to a guest contact employee and are often the reason a person is hired. However, it is management's responsibility to be sure employees understand the significance of these service skills in dealing with customers" (25).

An article by an American senior executive, Hostage (26) on quality control in a service business also implies that training is the key, by limiting the article to
describing eight training programmes concerning:
individual development; management training; manpower planning; standards of performance; career progression; opinion survey (employees); fair treatment and profit sharing.

Gartner (27) suggests a strong reason for organisations focussing on the importance of training:

"There are some who would make the case that training pre- and/or in-service, is the panacea to change the services. We make no such argument. Indeed, we recognise that in many instances the call for training is a diversionary step, designed to avoid undertaking structural and institutional changes".

The researcher started with the assumption that training was the key dimension but as the scope of the study indicates that this was soon recognised to be too simplistic an approach. It does not follow from this that the training function has no role but that it is important to recognise it is a supporting role and there is a need to determine how it can best fulfill this role.

Kitson (28) when discussing the role of the British Tourist Authority and the Hotel and Catering Industry Training Board in improving standards gives a clue how those in training need to help those concerned with marketing.

"... a role of the BTA is to advise the industry in markets and their possibilities. It must spell out what the needs of the markets are. The training board's job is to assist the industry in meeting the needs of the markets, whatever these needs are".

The HCITB (29) in their training criteria refer to operating standards and standards of performance but surprisingly in view of the above comment without indicating how these relate to the needs of the market.
An extract from a company magazine illustrates that some companies realise how important it is to understand guest expectations:

"To perform effectively, employees must learn to anticipate how the customer expects him to act.

A major part of employee training should deal with what research indicates the customer wants ...

Also, management must, through effective training programmes, instill in the staff the right attitude toward service to the extent that their willingness to serve is reflected in every aspect of customer contact. Employees need to understand that their job performance is based not only on how well they function technically but on how they handle the guest" (30).

Gartner (31) has some suggestions on how those involved in human service practice can become more consumer centred and thus more sensitive to expectations:

"... the training of practitioners must prepare them for practice that is consumer-centred. One important way of doing this is to make training itself consumer-centred, that is, built around the trainees. This serves to give them an object lesson on how to provide consumer-centred practice. Too often, programs of professional preparation focus only on the curriculum content and forget that the medium is often the message, and, thus, the form of teaching is as important as the content.

Training is, in part, a kind of socialization. And the training we propose must socialize the new professionals to understand the consumer point of view".

Gartner also believes that:

"A central aspect of the content of consumer-orientated is that it be skilled centred. The service to be performed must be carefully analyzed and the training built upon this analysis. This may seem self evident. However, in fact, much of the preparation of human service practitioners is knowledge - the process-centred, rather than outcome centred ... A skill - centred training design moves more directly to that which is of direct help to the consumer and we need evaluation measures to insure that this occurs" (32).
Gartner (33) also suggests that role playing, particularly role reversals, where the trainee plays the role of consumer and is able to 'feel' what it is to be a consumer is an effective way of giving consumer-centred practice.

From this it appears that training, particularly if related to consumer expectations and if the learning context is consumer-centred, is important. Some, whilst recognising this importance, point to other personnel functions which equally affect the quality of service.

Simpson (BTA, 34) whilst arguing that the key to customer satisfaction is based on well-trained efficient and effective staff at all levels points to the importance of being selective about choosing staff to ensure that high quality recruits are chosen.

Zemke (35) also suggests top customer service people seem to agree that the focus for full-time customer service management, should be on selection, standards, training and support.

Cousins (36) who also stresses the importance of selection suggests:

"It may well be that the selection of staff should be more involved with social background, especially for those dealing with guests and also a matching of the social background to the particular social environment of the unit (e.g. location, type of guest, standard of unit, etc).

Davidson (37) when discussing customer contact employees suggests three steps: select and train (careful selection, proper indoctrination and motivation); correct (constant vigorous supervision) and reject (speedy removal of those who don't measure up).

Sasser et al (38) suggests that the primary sources of quality control for the service firm - should be designed to communicate the goals of top management to the
operating personnel, to motivate them to act in a manner consistent with the service concept, and to monitor the performance of the individual employees and the business overall.

This points to other areas which are the responsibility of those concerned with personnel and training, two of them, selection and motivation have already been discussed when considering the organisation variable in Chapter 5. Communications, often another concern of personnel and training, is now further examined.

Farrell (39) identifies that one of the difficulties concerning communications is the different perceptions of employees:

"... little attention seems to be paid to the task of actually communicating the standards in some form to the employee. So what does the employee do? He has to operate to his own standards and modify them when told that they are wrong by his department head who is operating to his or her own standards ... Into this already unsatisfactory scenario comes the manager with his own set of standards who berates the employee or the department head because the standard is not high enough".

Farrell (40) suggests that where a manager finds such a disarray in standards and the approach to the setting of standards he should adopt a participative approach to setting standards involving supervisors and operatives. This he suggests leads to demanding standards being set as well as improved communications.

Care must be taken, however, in this exercise to ensure that the consumers needs are taken into account because, as Farrell (41) suggests, most food servers and managers live and act in a world all their own, one not very well aligned with reality. Research he conducted indicates that restaurant workers show group concern with artistic movements and aesthetic effects rather than outgoing interest in establishing rapport with individual customer's and meeting their needs.
Farrell (42) also points out that:

"... at the top of food-service establishments there are often are sound policies and good plans; in the middle range considered technical know-how for the mechanical execution of policies and plans; and at the bottom sufficient skill and energy to carry out the activities necessary for a profitable organisation".

But that the formal downward communication system is not used to carry the information needed by employees if they are to successfully integrate their efforts. He stresses that:

"... the genuine desire to please the guest (which is truly the basic hallmark of nearly every top level food-service executive, of most middle range managers, and of the majority of supervisors) is demonstrated to customers, not by the managerial people, but by direct personal relations with waiters and waitresses and by the indirect services of busboys and kitchen employees"

and that often;

"the functions of groups like waiters and dishwashers are aimed not at a common goal of the business - the satisfaction of customers - but at doing the particular job so as to provide the individual worker with at least minimum personal rewards" (43).

Farrell (44) believes that:

"... most managers truly respect the needs of their employees and wish to help them satisfy their needs. Thus when the two do not work effectively together, the fault lies in the incapacity of the formal communication system to carry the necessary exchanges of views and ideas".

and that the remedy is:

"... that top management should encourage middle managers and supervisors to develop and use communication systems to carry out their own sound and well-based ideas for developing good, competent, highly motivated employees. Training programs for employees presently used by many food-service establishments should be expanded to help the managerial people learn to manage communication better" (45).
Little reference has been made to manager or management development, this is because as O'Neill (46) indicates organisation development which has quite specific aims is thought to be of more value in improving performance in operational terms such as quality. This suggests that the opportunity to improving quality should be seen as a part of the overall development of the organisation.

Woodworth (47) in an outline of priorities for improvement lists a number of activities which recognise the importance of personnel and training, but also points to other areas which underline that quality activities should not be limited to the personnel and training function:

"... better training; more knowledgeable and efficient staff; progressive technical improvements; closer attention to the needs of the passenger/consumer; improved facilities and clearer display of information on facilities that are available".

From this examination it is clear that the personnel and training function has a role in quality assurance as a number of the variables that influence quality are the concern of those in personnel and training, for example, the 'human variable' and structure. The responsibility for these functions is however normally of line management and that the role of the personnel and training function should be as specialist advisor. There are a number of other variables which are not normally the direct concern of the personnel and training function for example the environment, technology and control and for this reason the responsibility for quality should not be delegated to the personnel and training function but retained by line management. The specialist functions responsibility should be concerned with assistance in selection, in designing communication systems, in advising on management and organisation development and in designing and sometimes providing consumer centred training.
6.4 MARKETING IN CONTEXT OF QUALITY OF SERVICE

A number of statements made in the marketing literature underline the overlap between marketing and service operations:

"Marketing is so basic that it cannot be considered a separate function ... It is the whole business seen from the point of view of the customer's point of view" (48).

"The marketing concept is a management orientation that holds the key task of the organisation is to determine the needs, wants and values of a target market and to adapt the organisation to delivering the desired satisfactions more effectively and efficiently than its competitors" (49).

These statements both stress the importance of ensuring the whole organisation has a market orientation, it is less clear whether they imply that the marketing function should exist as a separate function to service operations. Before examining this it appears there are a number of areas where the two functions overlap. The first identified by Thomas (50) is the overlap concerned with the design of service offerings. An indication of this is illustrated by the following statements:

"Design quality, whether it involves specific procedures, programs, and something else, is what makes a product or service saleable. It is in other words what the customer wants" (51).

"Marketing is ascertaining, creating and satisfying the wants of people; and doing it at a profit" (52).

The second overlap identified by Daltas (53) is between the responsibilities of those promoting the services, he points out that although a marketer of services can control advertising he does not have the same control as a product manufacturer over what is actually delivered to the consumer. Further that the quality the consumers receive is likely to use the service organisation again.
Daltas stresses it is the local manager and employees who must translate the policies and procedures into a service package, and through daily problem solving behaviour retain the customers who have been attracted to the services.

Attoff (54) also stresses:

"Everybody who has a contact with the consumer during the buying and/or the consumption process is in fact doing personal selling of the service and is being identified by the consumer as a part of the service itself".

This statement as well as underlining that the selling function is the responsibility of operations as well as marketing, emphasises that they as bearers of a service are identified as a part of the service. This relates closely to a third overlap identified by Sasser et al (55) who suggest that the simultaneity of production and marketing of a service product eliminates the quality filtering mechanisms that exist in manufacturing. They give the following reasons:

"First, it is difficult and in many cases impossible to inspect even the explicit characteristics of the product prior to delivery to the customer. Second, the integration of functions of marketing and production hinders the translation of consumers perceptions into more quantifiable production terms, which occurs as a result of negotiations of the two separate functions in a manufacturing organization. Third, operating personnel are required to have a dual set of often conflicting skills, that is, they are the production direct labor or artisans or both and they are also the sales personnel".

Sasser et al (56) identify another aspect that needs consideration when they suggest, that because of the simultaneity of production and marketing and the fragmented nature of most service industries, that this often leads to:
"... either unanticipated natural segmentation of markets, on the one hand, or an imposed aggregation of unlike markets by management, on the other. Thus, many multisite service operations find that top management has imposed standardization of materials, procedures, and locations across all operating sites while the sites may be operating in different market segments".

Sasser et al (57) also draw attention to:

"Finally, the temptation to diversify from a focused service provided to a clearly defined market often leads a service firm to attempt to be 'all things to all people' with disastrous loss of ability to manage the company's service level".

The relationship of these overlapping responsibilities are now examined. Attoff (58) in discussing research by Gronroos helps to clarify the relationship and responsibilities of marketing and service operations. First he sets out the traditional view of the differences between the relationships of production and marketing in the provision of goods and services (Figure 6.6). This shows that in manufacturing the bridging over from consumption is done through marketing, the only function of the company with which the customer usually comes in contact. Whereas, in a service producing company, the situation is that the customers are in contact with both the marketing and production functions.

![Figure 6.5 Relationship between production and marketing in the provision of goods and services](image-url)
The model fails to reflect the selling function or personal marketing communication of those concerned with the provision of services, described as production in the present model. Gronroos's model demonstrates that the selling function has to be done in two different ways as shown in Figure 6.6.

Figure 6.6 Marketing function for services

One of these consists of the actions that have to be taken in order to make the market interested in the company and its offers: profile programme, price policy, physical situation, product range and so on. The other is a result of the interaction idea - the service is not on the shelf but is an activity created jointly by buyer and seller.

Another aspect of marketing is product design and Attoff (59) suggests product development should be looked upon as encompassing all of the resources - people, plants, office machinery and other physical objects and extra services - through which the service is being made available to the consumer. Further, that is concerned with improving the availability system which includes the behaviour of the staff in contact with the guest. This relates closely to the nature of service discussed in Chapter 2.
From this approach Attoff suggests that the relationship between production (i.e., the carrying out of core services) is as illustrated in Figure 6.7.

Figure 6.7 Production role in services

Gronroos (60) also emphasises that:

"The consumer are actively taking part in shaping the service offering, i.e., in product development. This is due to the production/consumption interaction, which is characteristic of the service industries, and to the fact that several consumers and/or potential customers simultaneously are on the same spot either consuming, purchasing or planning to purchase the service. The consumers influence both the accessibility of a service and the communication about the service, and their influence can be either desireable or undesireable.

This concept helps to differentiate between the responsibilities in a market orientated service organisation between the marketing and service operations functions, where they both exist. In the area of sales promotion the marketing functions responsibility will be mainly with generating new business and service operations with increasing repeat business. In service development it will be a wider function responsibility with the consumers being actively involved. There is also a need to establish a system of monitoring consumer satisfaction that can be used by both functions. Another area identified was the overlap between market segments.
Juran (61) suggests how service industries design service quality for human beings who exhibit a wide spectrum of needs and likes by such methods as:

1) meeting a range of choice;
2) providing a modular system which permits the user to direct the system in accordance with his special needs;
3) providing assistance to meet the residue of 'to order' needs which the engineered system cannot provide directly to the consumer.

These methods are often appropriate but care must be taken to ensure that where users remain a part of the service system for some time whilst consuming the service, the market segments which are not complementary are kept apart. The difficulty of eliminating the quality filtering mechanism caused by the simultaneity of production and marketing will be examined later.

6.5 SERVICE OPERATIONS IN CONTEXT OF QUALITY OF SERVICE

6.5.1 Introduction

From the examination of functions in the previous three sections it is possible to identify what needs to be taken into account in a model for the quality of service. This needs to be different from that for manufacturing, to focus on the function of service operations, incorporate the marketing and personnel and training functions which are the responsibility of line service operations, and clarify the supporting role required from specialist functions.

Service operations are concerned with providing an intangible core, viewed as capable of satisfying a want through a set of activities which enable the customer to interact with the organisation at all stages in the
consumption of the offering. To satisfy this want the quality of the service is a combination of predictors and characteristics, on which an individual assesses satisfaction or likely satisfaction each time it is used or considered for a particular purpose, based on his or her own set of values.

Lalonde & Zinser (62) identify three concepts of customer service, which suggest three concepts of service:

1) customer service as an activity;
2) customer service as a set of target performance levels;
3) customer service as a set of strategies.

6.5.2 Service as an activity

Service as an activity appears to be when an organisation sets out to offer services without defining a set of performance levels or a set of strategies. This approach is probably the most common in service industries.

Latzko (63) in a definition of quality control to banking identifies two operational functions: design quality and production quality. Design quality, he suggests involves specific procedures, programmes that make a product or service saleable. Production quality attempts to make sure that production quality meets design quality to the fullest degree.

The first function appears to embrace both the design of service quality and the design of the service process. The second function appears to embrace the operation of the service process, and the operation of a 'service righting mechanism'.

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In discussing the evaluation of service, Juran (64) distinguishes between two different kinds of conformance:

"Internal conformance relates to those aspects of the service company's operations which cannot be sensed by the clientele (e.g. quality of fuel).

Other aspects of service company operation can be sensed by the consumer.

This interrelationship between internal and external conformance requires that the review of internal conformance not to be limited to that carried out by departmental supervision".

Juran (65) suggests that for internal conformance, the measures of quality have much in common with the well-known measures widely used in the control of manufacturing processes, but that the external conformance is more complex due to the abstract nature of some of the qualities and due to the subjective reactions of consumers. Measurements can include: the cross section of consumer complaints and claims and through solicitation of consumer comments; and independent audits.

Campbell-Smith (66) suggests that an individual owner will find it difficult to stand outside his own restaurant and view it as a customer and suggests he persuade the national or local catering association to provide a quality control service in respect of the restaurants in the area.

When customer service is perceived as an activity there is a need for those involved in operations to understand the separate functions (service quality design, service process design, service operations and a service righting mechanism) so that they can understand their role. Further to understand the contribution of the marketing, and personnel and training functions in the development of the service; and in the design of the process and controls for providing the service. Finally, operations role in the day to day control of service quality.
Too often operational departments tend to concentrate on day to day control of the service process neglecting the importance of the design of the service and the design of the service process.

6.5.3 Service operations as a set of performance targets

Adam et al (67) appear to favour the concept of target performance levels and judge a service as the degree to which a product or service conforms to a set of predetermined standards related to the characteristics that determine its value in the marketplace and its performance of the function for which it was designed.

Sasser et al (68) also favour target performance levels and suggest that managing a service operation requires that the manager understand the service concept, service delivery system and service levels. An overall approach is given in Figure 6.8.

Figure 6.8 Sequence of service firm delivery system
This model appears to take into account all the organisation variables identified in Chapter 5, but fails to recognise the impact the consumer as a human variable can have within the service system. More detailed models for establishing service levels and for a service system are given in Figures 6.9 and 6.10.

Figure 6.9 Consumer model for establishing service levels

The model for establishing service levels although based on the service level approach introduces the concept of the consumer's perception but seems to suggest that this has no impact on the service system.

A further limitation is that it appears that the offering can only be a human, when indicating offering of Server A attributes.

The service environment appears to imply that the service can be borne by non-humans, but still excludes the consumer as an input to the system, and does not therefore, take into account the interaction between the user and the service system.
Sasser et al (69) suggests that the manager faces a number of problems in maintaining service levels:

1) It is difficult to measure service levels because it is determined by the perception of the consumer, which may be different than management's perception.
2) Services are usually produced and consumed simultaneously, so quality must be designed into the delivery system rather than inspected in.

3) Services are labour intensive, often decentralised, and the human server is seen as part of the service level.

4) The delivery system can influence the consumers' perception.

Sasser et al (70) suggests ways of overcoming these problems, for example, the way service level can be designed into the system rather than achieved by inspection:

"... a quality hotel that found numerous complaints about small oversights in making up rooms. Guests reported oversights: missing water glasses, and stationery, televisions not in working order, and burned out light bulbs. The causes of these problems were debated by management ..."

The solutions came from carefully analyzing all the steps necessary to make up a room. There was, in fact, a logical sequence of steps that minimized the effort. This sequence was taught to the housekeepers who enthusiastically accepted it as being a logical way to make their jobs easier. As the standard sequence was better and more consistent quality, a happier workforce, and less emphasis on 'inspection' to achieve higher quality.

This relates closely to the teachings of ZD 'Zero defects' already discussed. These problems do, however, underline the difficulties of adopting a target level of performance when it is difficult to inspect the output of the bearers of a service and when the consumer interacted with the provider on an on-going basis.
6.5.4 Service as a set of strategies

Wilson (71) suggests a rather different kind of model which sets out the fundamental elements of a service system, the interaction between personal and physical bearers of a service, the service and the client - a simplified form of strategy (Figure 6.11).

Figure 6.11 Fundamental elements of a service system

From this he suggests a global system of a service business is as shown in Figure 6.12. This recognises the visible and invisible parts of the organisation, and that a variety of services are normally offered from a single organisation. It still excludes the client from being an integral part of the organisation.

Figure 6.12 The global system of the service business
Christopher et al (72) suggest that customer service as a set of performance standards is an unsatisfying concept and appear to perceive customer service as a set of strategies, the third concept identified by Lalond et al:

"Customer service is foremost a process by which orders are filled. The nature of the process links two organisations together through the functional activities involved. As a process it takes on the characteristics of an inter-organisational system linking supplier and customer together. The essential characteristics of the system is the management of variety. Customer service management involves decisions about whether to absorb variety or to shift elsewhere. With absorption, there is a decision about how and where to manage it within the organisation. Variety then determines the structure and the requirements for inter-organisational co-ordination.

Customer service is a link in a chain between buyer and seller. It is also one of the series of links between stages in a marketing channel".

This concept links closely to the dimensions of experience and process identified in earlier chapters. Christopher et al (73) develop the concept in suggesting service is a process of meeting the customers prior expectations, and that service becomes acceptable as long as these terms are met and there are no better alternatives that are called to his attention. Service fails, they suggest, when performance lags behind expectations.

Christopher et al (74) also stresses:

"Service is multi-dimensional, and customers may respond to different dimensions in dealing with the unique problems that they face within their own systems. Customer service also tends to be reactive. It does not include sales, but serves to maintain or enlarge sales of purchases by previously acquired customers".

From this it can be seen that a model is required that perceives service as a process, that provides for the unique problems of individuals and embraces many of the marketing activities.
Christopher et al (75) indicate that Lalonde et al have identified three elements in the process of customer service: pre transaction; transaction; and post transaction. In order to maintain a matching function during the process it is clear that communication needs to be maintained, during each of these elements.

Christopher et al (76) when examining a related area of customer service, point to the link between the supplier and the customer. They suggest customer service is a matching function between supplier and customer, which requires a system to provide a continuing link between the time that the order is placed and the goods are received with the objectives of satisfying customers in the long term. Further that the nature of the process makes customer service into both a processing system and a communication network.

This approach which focuses on the interface between supplier and customer reinforces the importance of the service demand as a central part of the system. The following extract underlines this point as well as the complexity of the interactions concerned with quality:

"Within the supplier firm, customer service is involved with a broad set of functional activities extending across the organisation. In its boundary spanning role, it links the systems of customers and suppliers" (77).

Some further work by Adam et al (78) on the models developed from manufacturing already examined earlier in the chapter give some clues on how the model could be developed for service activities. The model suggests that the demand for service is the 'raw throughput' to a system (Figure 6.13).

Nightingale (79) in developing a model for service productivity includes a similar concept of throughput with customers with expectations and money as 'raw
throughput' and satisfied and dissatisfied customers as the 'converted throughput' (Figure 6.14).

**Figure 6.14 Service productivity model**
Adam et al (80) in an application of the throughput and conversion process for service industries, gives an example of cheque processing (Figure 6.15).

Figure 6.15 Systems boundaries for check processing

This part of the service process excludes the consumer and makes it difficult to evaluate its usefulness if the throughput is an individual seeking a service.

Pickworth (81) has developed a model applied to the eating experience which has as its input a human seeking satisfaction and incorporates the interaction of the consumer with the service system (Figure 6.15).
Figure 6.16 Diagram to show the processes involved in the eating out experience.
From this examination of models it appears that a model needs to include the following factors:

1) interaction with external environment;
2) the inputs of the demand for service, materials and personnel;
3) design of service;
4) design of the service process;
5) provision of service process (conversion of demand for service);
6) provision of a 'service righting mechanism';
7) policy on quality;
8) translation of policy into operational activities (including where appropriate, inspection and testing);
9) complexity of the interaction of variables.

Two models evolved during the research to embrace these factors. The first (Figure 6.17) devolved from Adam et al's model (Figure 6.4) and has added the customers seeking satisfaction as an input and the satisfied and dis-satisfied customers as an output. A number of adjustments have also been made to the primary factors and organisational variables to take into account the nature of service organisations. It also excludes an inspection and testing activity between the consumer and the service system. It does not include quality policy or the role of general management, which is now examined.
Figure 6.17  Behaviour/Technology Model of factors affecting service quality

Performance quality

Quality goals

Primary factors affecting quality

Organisational controllables

1. Direct & indirect worker: abilities & skills knowledge attitude

2. Supervision: abilities & skills knowledge attitude

Structure
Selection
Training
Reward structure
Reward level (monetary & qualitative)

1. Materials: specification conditions

2. Equipment: design condition

3. Service setting

4. Support setting

Service design
Service process design
Job design
Equipment
Purchasing

1. Motivation

2. Quality & craftsmanship values

3. Demand for quality

4. Perceived instructions

Monetary rewards
Non-monetary rewards

Induction
Training & communication
Peer relationships
Supervision

1. Job characteristics

2. Administration

3. Equipment & maintenance management

4. Operation planning and control

Participation
Job enrichment

Design and control of procedures
Maintenance and repair expenditure
Planning, scheduling and control techniques, tasks
It has already been shown that the three functions: service operations; personnel and training; and marketing; have a role in the quality function. General management are responsible for co-ordinating these functions and for this reason general management has an important role in the quality function.

The importance of this is hinted at by Balin (82) when he states:

"But, naturally, every time that a certain number of functional departments in the company must co-operate to achieve a final common aim - integrated quality control in our case - the establishment of a co-ordination and control system is absolutely essential to ensure that each particular aim is satisfactorily achieved".

Christopher et al (83) also stress the importance of an integrated system:

"Management of customer service and even more important the development of customer service strategy must deal with the problem as an integrated system. Decision to change one element must take into account the system impacts".

and emphasise the need to recognise the decisions in one area can have an impact on others. The real crux of the management of service quality is identified in the following statement by Christopher et al (84):

"Co-ordination of customer service could be significantly improved if central management control could be established. This, however, is not likely to take place without sponsorship from the highest levels of management. Customer service involves co-ordination with so many functional areas inside the company that effective management does not appear possible as a lateral or co-operative control alone. The absence of a customer service strategy shifts decision making downward to lower levels in the organisation, each of which will determine their own standards with only limited co-ordination with other areas".
Shaw (85) also argues that:

"A management process must maintain links with overall goals and objectives of the organisation".

Christopher et al (86) also point to the need to distinguish between short and long term goals and where the responsibilities should rest:

"Short term objectives should be directed to the reduction of friction within the system to the customer, reducing the problems of co-ordination and re-ordering to minimal levels. In the long run, service is an effort to deal with the system, to reduce system costs, possibly through changes in system design".

Any system needs to provide for both of these. Shaw (87) stresses:

"... easy to illustrate how policies directed towards quality of service and productivity of people have a greater impact on competitive service than other areas of management".

Shaw (88) suggests:

"Part of the answer we submit, lies in failure to form a bridge, through the commitment, between the settling of policies and the delivery of services".

A useful concept to integrate the functions is the customer service 'mission' developed by Christopher et al (89). A mission in this context is a set of goals to be achieved by the service system within a specific market context. This cuts across traditional functions as the successful achievement of mission goals involves inputs from a large number of functional areas and activity centres.

A model for services developed from Christopher et al's model is given in Figure 6.18.
Christopher et al (90) stress that:

"In order that the differing service needs of each mission can be met in the most cost-effective way, the right balance of inputs must be devised. Clearly a prime requirement is that at the outset the missions and their objectives must be defined and also the cost constraints within which they must be achieved. Only by establishing a framework such as this will it be possible to structure the company's operations around the goal of cost-effective customer service provision.

Shaw (91) argues:

"Of course, a management policy, which leads to or provides for an integrated system of management is not the only set of policies a service organisation requires to be successful. Other policies will exist in such areas as marketing, human resources, financial control and quality control. The point is that policy should also be established to assure the quality-productivity connection is made".

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**Figure 6.18  Customer service mission of services**

<table>
<thead>
<tr>
<th>Missions</th>
<th>Functions</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer group A</td>
<td>Personnel training</td>
<td></td>
</tr>
<tr>
<td>Customer group B</td>
<td>Purchasing</td>
<td></td>
</tr>
<tr>
<td>Customer group C</td>
<td>Front line operations</td>
<td></td>
</tr>
<tr>
<td>Customer group D</td>
<td>Support operations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing</td>
<td></td>
</tr>
</tbody>
</table>

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The nature of the quality of service, the organisation variables that impact on quality and the management functions concerned with quality have now been examined. All of this introduces a very complex model which is set out in Figure 6.19.

Such a complex model means that there is a risk that any energy devoted to improving quality could be dissipated. For this reason it is important that quality management should be set within the priorities of the organisation.

A study by McKinsey's (92) gives some indicators of how this should be approached. This study identifies eight common attributes of companies that are often used as examples of well run organisations gives some insight into the areas that need consideration. The eight attributes are:

1) A bias towards action.
2) Simple form and lean staff.
3) Continued contact with customers.
4) Productivity improvement via people.
5) Operational autonomy to encourage entrepreneurship.
6) Stress on one key business value.
7) Emphasis on doing what they know best.
8) Simultaneous loose-tight controls.

Christopher et al (93) identify three attributes which they suggest are required for customer service to be effective they reemphasise attributes 2, 3 & 8 above:

"1) Organisational structure capable of achieving functional co-ordination under centralised control;
2) Explicit customer service strategy with coherence among all the functional elements with measureable standards of performance.
3) An information system for measurement and control of the service process to ensure standards established will be achieved and that deviations will be recognised in time for corrective action".
Figure 6.19  A model for hotel and catering services
Shaw (94) when discussing quality and productivity focus on three specific elements - an integrated system of management: organisational design; management control; and operations control, reinforcing attributes 2, 4 & 8.

None of this implies that there is a universal management style. This as Wellens suggests (95) should be based on the culture in which the organisation operates.

6.7 CONCLUSIONS ON MANAGEMENT FUNCTIONS

From this examination of the management functions concerned with quality the following conclusions are drawn.

6.7.1 Quality function

An organisation concerned about the quality function needs to:

- have a planned and systematic pattern of the means and the activities designed to provide adequate confidence that service will provide satisfaction and meet contracted and jurisdictional requirements;
- have a quality policy which is appropriate to the nature of the environment and the scope and skill of the organisation;
- adopt a suitable approach to maintaining quality for example, as an activity, a set of target performance levels or a set of strategies, dependent upon the nature of the environment;
- recognise that quality assurance is a combination of partial functions concerned with potential quality (design of service and design of service process) and the achievement of quality (service process and service
righting mechanism), and that potential quality and achievement of potential quality can be affected by technical and behavioural factors within organisation and from the environment;
- determine the controllables to control these factors such as design of service process, selection, training, supervision, communication, peer relationships, rewards qualitative and quantative;
- delegate responsibility for these controllables to the appropriate function or functions including general management, service operations, marketing, personnel and training, and purchasing;
- determine ways of measuring and controlling inputs, outputs, and overall customer satisfaction (e.g. inspection, auditing and testing) and to recognise the responsibility of those in the front line where quality filtering mechanisms are inappropriate.

6.7.2 Role of general management

Those in general management of an organisation should be responsible for:

- setting clear policies, goals, and objectives (short and long term) in line with the environment;
- adopting a key business value concerned with customer satisfaction;
- translating these policies into service delivery transactions;
- co-ordinating and integrating the activities of the separate functions to meet the needs of each market segment, possibly by the 'mission' concept;
- designing and monitoring quality input and output feedback systems within an overall loose-tight control system;
- maintaining a simple and lean organisation structure;
- delegating functional responsibility for the stages of quality assurance (design of service, design of service process, service system operations, and service righting mechanism);
- maintaining contact with a representative sample of customers;
- delegating responsibility to trading units and departments and involving personnel in any quality improvement programme;
- taking actions which emphasise general management's recognition of the importance of quality.

6.7.3 Role of service operations

The line service operations should be responsible for:

- satisfying the customers wants through a set of activities which enable the customer to interact with the service system;
- contributing with marketing to the development and design of service;
- designing and developing the service process;
- managing the service process bearing the service offering. This to include the following activities: sales promotion through repeat business, communication, monitoring inputs and outputs, selection of materials and staff, motivation, training and development;
- providing a service righting mechanism for maintaining customer satisfaction.

6.7.4 Role of marketing

Those in marketing should be responsible for:

- identifying market segment needs and conflicts;
- contributing with service operations in the development and design of services;
- promoting services mainly to new consumers by shaping expectations or indicating that the services are designed to respond to expectations;
- monitoring overall customer satisfaction.
6.7.5 Role of personnel and training

Those in personnel and training are particularly concerned with the human variable and structure and should be responsible for:

- designing management and organisation development programmes which include quality assurance;
- designing systems for communicating goals, values and technical know how;
- developing styles of management which generate motivation;
- providing basic training in the nature of the quality function;
- developing specialists trained to carry out diagnosis for quality improvement when required;
- ensuring all training programmes provided are consumer-centred, which develops an awareness of the need to meet customers expectations.
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91 Shaw, J C. op cit, p 25.

92 Peters, T J. Putting excellence into management, Business Week, 21.7.80, p 196.

93 Christopher, M et al. op cit, pp 38-58.

94 Shaw, J C. op cit, p 25.

7.1 HYPOTHESIS

From the study of the nature of service and quality, the nature of the services of the hospitality industry, organisation variables and management functions the following summary of conclusions are drawn:

1) When a consumer is seeking satisfaction for a particular purpose from services provided by the hospitality industry the expectations to meet this intangible need is an experiential one.

2) The consumer will measure satisfaction by assessing a combination of predictors and characteristics based on his or her own set of values.

3) The services would be available within the service system offered by both human and non-human bearers.

4) Policymakers affect the quality of the service offered based on their perceptions of what represents quality service and the policies and the kind of organisation they adopt and the decisions and actions they take.

5) Human bearers affect the quality of the service offered based on their perceptions of what represents quality service, the availability of resources to achieve this quality and their commitment to achieve quality.
The following hypothesis developed from these conclusions:

Quality of hotel and catering services is most effectively maintained, when both those responsible for policy making and implementation of such services are able to perceive the key dimensions used by the customers themselves in their evaluation of the services and when those implementing have the mechanisms for taking action to ensure that when these key dimensions are met.

7.2 CONDITIONS AND TECHNIQUES FOR TESTING HYPOTHESIS

During the literature survey, it became apparent that because of the complexity of the research topic that it would be essential to obtain the strong support of top management, where the test was conducted and that the conditions under which it could be successfully tested would need to enable the researcher to:

1) take both an analytical and holistic approach of the topic under review;
2) make both a social and technical analysis of the field of activities under review;
3) link and combine qualitative and quantitative research;
4) ensure commitment by drawing on the knowledge that exists within the minds of those closely involved;
5) adopt structured procedures which create an atmosphere of openness and thought;
6) determine the characteristics which are important to user and provider of hotel and catering services;
7) determine and compare the opinions of both individual and groups of users and providers;
8) avoid conditioning the responses of respondents;
9) reduce the influence of the researcher's opinion.
The hypothesis is in two parts and it soon became clear that different techniques would be required for each part, although it was recognised that these would need to be linked in some way to fully test the hypothesis.

One technique was required to determine the perceptions of the consumers and compare these with those responsible for policy making and the implementation of service. The second technique was required to help those implementing to take action to ensure that the key dimension of the customers' expectations were met.

7.3 TECHNIQUES FOR MEASURING AND COMPARING CUSTOMERS' PERCEPTIONS

Reference has already been made to the difficulties of applying without due care techniques originally designed for manufacturing industries to service industries. One particular problem is that the product of a service industry is not normally specified in the same way as in a manufacturing industry, indeed it can be argued that this would be inappropriate.

For this reason it is anticipated difficulties may occur in determining what data be made available in the second part of testing the hypothesis. In manufacturing industries data for quality improvement may arise from customer complaints, quality control feedback or management information. It is possible that this information may be misleading in service industries as it is believed by the researcher that part of the difficulty over quality is that those closely involved are limited to their perceptions of what is important to the customer or may in fact see this as being in conflict with their own value system. A number of studies included in the literature survey suggest that personal construct theory and the technique of repertory grid may be a practical technique to be used.
Personal construct theory conceived by Kelly (1) is concerned with understanding how the similarities and differences which individuals conceive and perceive the world evolve and why individuals may respond differently to the same event.

Honikman (2) indicates the value of applying personal construct theory and repertory grid technique in an approach to architectural and environmental design. The reasons for this are that the approach meets the following criteria:

1) to deal with the relationship between physical characteristics of an environment and the personal structure of evaluation by which it is assessed;

2) to deal with the environment as a cohesive whole and component parts should be considered within the total context;

3) to allow the informants to operate in surveys in their own personal and unique manner.

Christopher et al (3) make reference to having used with some success a method known as repertory grid in a study of customer service. In discussing how to evaluate customer service they stress that it is important to ascertain the key dimensions used by the customers themselves on their evaluation of customer service rather than what we, the survey designers, consider the key dimension to be. They suggest:

"The ideal approach to designing customer survey tools is to begin by collecting from a limited sample of customers their own 'vocabulary' of evaluative constructs concerning customer service. In other words what are the issues that they see as important in the context of customer service in their own language?"

Thomas (4) suggests that personal construct theory provides a comprehensive approach to determining an appreciation of the consumers needs he states:
"Most importantly there seems to be a clear indication that we should begin to make greater use of complex analytical and computational tools now available to us to examine our customers' "views of the world" in greater detail. 'Attitude', one of the keystones of modern marketing, is felt to be too narrow a concept, especially in view of marketers needs for diagnostic tools which will identify those ultimate elements of products and messages which affect behaviour'.

Harmar-Brown (5) whilst recognising that personal construct theory can make a contribution to advertising studies, also stresses that repertory grid techniques have been applied in areas of marketing to which it is unsuitable such as categorising a market product, simply because the techniques are objective, scientific, and statistically respectable.

Chisnall (6) also stresses that repertory grid technique has severe limitations as a tool of marketing analysis, although he concedes there is a need for further practical use. Harmar-Brown (7) gives a clue that the reason it may not have been successful is because the technique has been applied ignoring the personal construct theory on which it is based.

Slater (8) in summarising a repertory grid study by Riley and Palmer of perceptions of holiday resorts indicates the pay off to extending this 'qualitative' technique into the quantative area. This stresses that repertory grid can embrace both qualitative and quantitative stages.

A survey of a number of applications of personal construct theory suggest it has practical applications in a number of fields, which deal with similar problems as those of this study.
Riley and Palmer (9) carried out a project with a view to informing the policy and decision making of the management of a resort of the attitudes of individuals to selected resorts. The project first identified the characteristics which each respondent associated with each resort. From this information for each respondent was pooled to describe the perceptions in the researchers' words of a hypothetical average person. From this it was possible not only to gain a picture of the perceived characteristics associated with each resort but also to identify groups of resorts with similar perceived characteristics. Also identified a common set of principal components.

Riley and Palmer (10) also discuss the wisdom of pooling the actual perceptions of individuals. They suggest that to analyse each grid separately generates additional problems, as the common frame of reference provided by the common set of principal components is lost. Two approaches for pooling are suggested. The first is only to pool the grids of those who seem fairly similar to each other. The second is to include all the grids and to indicate the distorting or strains which occur if particular groups or individuals are considered. Riley and Palmer (11) prefer the latter. One difficulty referred to but not fully answered is the fact that the constructs even if the same words are used are not the same for each person.

In another study commissiones by the English Tourist Board (12) on accommodation choice criteria a repertory grid technique was used. The study attempts to look objectively through the eyes of members of the public at the process leading to the choice and purchase of holiday accommodation, establishing not only a list of information elements which are considered important but also, more importantly, the relative importance of these elements, and the 'trade off' of one against the another.
The findings give a clear indication that the cost of accommodation emerged as the most important single item of information to help holidaymakers in their selection of serviced accommodation. This was followed by a number of the characteristics that were perceived as being important, when compared one with another.

Hudson (13) also used the technique in a study of the retailing environment in which students images of shops, knowledge of shopping environment and shopping behaviour were examined.

The findings indicated the frequency with which people mentioned specific shop attributes as a basis for their personal discrimination between shops. From this rankings of shop attributes in terms of their perceived importance in shop choice were given.

Honikman (14) in the study concerned with architectural and environmental design, examines ways in which living rooms are construed and the relationships between the physical terms a designer controls and the patterns of personal evaluation of the people who used the designs.

This study as well as identifying important ideas (superordinate constructs) also identified indicators (subordinate constructs) which give tangible expression to those important ideas. The technique used is known as Hinkle's laddering technique. The study not only indicates that repertory grid can be used by the providers of a service to put themselves in the shoes of the user, it also suggested that by using the technique in training the provider would become more sensitive to the ideas that the needs of the user may be rather different than those assumed by the provider.

Another study by Simons (15) although in an unrelated field indicated how personal construct theory can help to identify and understand conflicts in value systems. This
study identified a confrontation between two construct systems experienced by indigenous midwives in Java. One construing system underlyng the family planning programme and the other construing system typical of the village in which they reside. Disappointing results of the family planning programme appear to be related to the conflict of beliefs and values, between the programme and the village, the latter proving to be the stronger.

The variety of applications and the possibility of comparing different value systems suggested that this was an appropriate way of measuring customers' perceptions and comparing these with policy makers and those responsible for providing a service. A way which describes a kind of template through which an individual sees the world.

7.4 TECHNIQUE TO BE USED AS A QUALITY-IMPROVEMENT ACTION MECHANISM BY SERVICE PERSONNEL

Three alternative and related techniques were considered, an in-company quality improvement programme, quality circles' and an approach developed for measuring the quality dimension of service productivity.

The in-company improvement programme used by ITT is based on the Zero defects (ZD) approach already referred to. This approach was originally conceived in the American aerospace industry to shorten the production period for missiles. Its potential as a way to raise productivity was recognised by the Japanese. Gregory (16) describes the ZD technique as being concerned with producing a perfect product with no intermediate defects requiring correction and which is delivered to the customer at the apppointed time.

The key emphasis of the approach is an analysis of the work process by groups of workers actually involved in the process to determine how error can be eliminated or avoided, rather than how it can be detected and corrected.
Crosby (17), in describing the in-company approach, sets out a fourteen step programme adopted by ITT including the Sheraton Hotels Division for quality improvement. A programme of this kind, Crosby (18) emphasises, must be implemented according to a plan over a long period of time as it requires a 'culture change'. The style of the approach is not dissimilar to some of the motivational programmes adopted by American companies, although Crosby emphasises it is quite different.

More recently another approach appears to have evolved from the ZD approach, this is 'Quality Circle' approach and this has in the last two or three years been adopted by a number of British companies including a number associated with quality such as Rolls Royce and Marks and Spencers. Hutchins (19) suggests that the dramatic growth in the use of the technique is because 'it offers a path to higher productivity, higher product quality and more harmonious labour relations. He further suggests the reason the technique has been more successful than many others is because it involves people.

Adam et al (20) in a study concerned with measurement of quality, and not as they stress its enhancement, propose a complex approach for establishing multi-dimensional constructs for measuring the quality dimension of service productivity. This approach has been tested with a number of American banks and proved to be successful.

Although the overall approach is rather complex, it does include a number of techniques concerned with the analysis of socio-technical systems and generating ideas by the nominal group method, which may be of value to the researcher. It also draws attention to the importance when involving management to distinguish between the contribution that can be made by policy makers and by those responsible for the daily operation.
These approaches meet several of the criteria suggested and have been applied to service industries, although it should be emphasised that they were originally developed for the manufacturing industries, where the specifications for products are normally more clearly defined.

The steps in the three approaches already discussed are compared in Table 7.1. The approach set out by Hutchins (21) seems to provide the most appropriate framework for the research study.

The reasons for this are that it is a simpler approach, encourages more involvement of those concerned with implementing standards and provides the opportunity for the approach to be tested in one or two units rather than requiring an overall company approach, although some refinements are required.

7.5 RESEARCH STUDY TEST

The two techniques were then combined into a two phased test comprising of the following steps:

Phase 1
1) Obtain top management commitment and agreement.
2) Determine customers' and providers' perceptions.
3) Compare perceptions.

Phase 2
4) Form trial quality circles.
5) Collect data.
6) Select a problem.
7) Conduct cause and effect analysis.
8) Select a solution.
9) Present findings to management.
10) Management action.
11) Review value of approach.

Brief details of each step follow:
<table>
<thead>
<tr>
<th>Crosby's Quality Improvement Programme</th>
<th>Hutchin's Approach to Quality Circles</th>
<th>Adam, Hershauer and Ruch's Approach to Measuring the Quality Dimension of Service Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Management commitment</td>
<td>1 Management commitment</td>
<td>1 Decide with top management support to measure productivity</td>
</tr>
<tr>
<td>2 Quality improvement team</td>
<td>2 Select facilitator</td>
<td>2 Select project co-ordinators</td>
</tr>
<tr>
<td>3 Quality measurement</td>
<td>3 Invite volunteers for Quality Circles</td>
<td>3 Familiarise project co-ordinators with system</td>
</tr>
<tr>
<td>4 Cost of quality evaluation</td>
<td>4 Form and train Quality Circles</td>
<td>4 Select participants: divide into groups</td>
</tr>
<tr>
<td>5 Quality awareness</td>
<td>5 Collect selected data</td>
<td>5 Define system and establish boundaries</td>
</tr>
<tr>
<td>6 Corrective action</td>
<td>6 Data analysis and selection of problem</td>
<td>6 Determine unit operations</td>
</tr>
<tr>
<td>7 Establish ad hoc committee for ZD programme</td>
<td>7 Cause and effect diagnosis</td>
<td>7 Generate deviations: select and rank</td>
</tr>
<tr>
<td>8 Supervision training</td>
<td>8 Selection of solution</td>
<td>8 Finalise key quality deviations</td>
</tr>
<tr>
<td>9 Zero defects day</td>
<td>9 Presentation to management</td>
<td>9 Generate key quality deviation measures</td>
</tr>
<tr>
<td>10 Goal setting</td>
<td>10 Implementation of decision by management</td>
<td>10 Collect technology and input data</td>
</tr>
<tr>
<td>11 Error cause removal</td>
<td></td>
<td>11 Transfer measures into productivity ratios and indicators</td>
</tr>
<tr>
<td>12 Recognition</td>
<td></td>
<td>12 Present transformed measures to participants for clarification</td>
</tr>
<tr>
<td>13 Quality councils</td>
<td></td>
<td>13 Rank productivity measures</td>
</tr>
<tr>
<td>14 'Do it over again'</td>
<td></td>
<td>14 Select final quality productivity measures</td>
</tr>
</tbody>
</table>
1 Obtain top management commitment and agreement:

commitment in principle and agreement to approach;
agreement to potential benefits or uses of research;
commitment to resources required particularly time;
selection of two units and two departments to be involved;
appointment of a facilitator.

2 Determine customers' and personnel's perceptions:

select and approach random sample of customers;
from one market segment and arrange interviews;
approach senior staff to arrange interviews;
approach personnel to arrange interviews as set out in Table 7.2.

3 Compare perceptions:

interpret meaning of personal constructs;
pool interpretations for customers, senior management and personnel;
compare perceptions.

4 Form trial quality circles:

invite volunteers from departments;
select members of quality circles;
appoint quality circle leaders;
hold first meeting and explain approach.

5 Collect data:

hold meeting to agree data to be collected by members;
gather data for presentation to the group.
<table>
<thead>
<tr>
<th>Stages</th>
<th>Segments</th>
<th>Policy makers</th>
<th>Implementors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish the sample</td>
<td>1 market segment of 24 people</td>
<td>Key dimensions used by consumers to evaluate hotel and catering services</td>
<td>Key dimensions used by some circle members</td>
</tr>
<tr>
<td>Negotiating the purpose of elicitation</td>
<td>Key dimensions used by consumers to evaluate hotel and catering services</td>
<td>Range of 9 key elements used by consumers to evaluate hotel and catering services</td>
<td>Range of 9 part experiences for which the policy maker is responsible for providing satisfaction of different levels</td>
</tr>
<tr>
<td>Eliciting the elements</td>
<td>Eliciting the constructs</td>
<td>Range of 9 part experiences for which the policy maker is responsible for providing satisfaction of different levels</td>
<td>Eliciting the constructs by the triad technique</td>
</tr>
<tr>
<td>Individual and group meaning profiles</td>
<td>Cross comparison of the above group profiles</td>
<td>Consumer to complete</td>
<td>Policy maker to complete</td>
</tr>
<tr>
<td>Bank order individuals</td>
<td>Bank order individuals</td>
<td>Bank order individuals</td>
<td>Tank order individuals</td>
</tr>
<tr>
<td>Tank order orders</td>
<td>Tank order orders</td>
<td>Tank order orders</td>
<td>Tank order orders</td>
</tr>
</tbody>
</table>

Table 7.2 Repertory Grid Technique for Data Collection
6 Select a problem:

consider data and rankings of individuals;
select problem by ranking process.

7 Conduct cause and effect analysis:

set target for achievement;
construct cause and effect diagram;
investigate validity of causes.

8 Select a solution:

generate potential solutions (brainstorming, nominal group method);
select realistic solution.

9 Present findings to management:

summarise findings;
recommend solution.

10 Management action:

accept and implement or
reject and explain.

11 Review value of approach:

monitor changes in customer feedback;
record views of management;
record attitudes of staff.

Agreement was reached with Commonwealth Holiday Inns of Canada to test the hypothesis following the steps outlined in the Holiday Inn, Swiss Cottage. The hypothesis was tested in between February and July and the outcome is described in the next chapter.


7 Harmar-Brown, F. op cit.


10 Riley, S & Palmer, J op cit, pp 164-165.


14 Honikman, M. op cit, pp 172-178.


18  Crosby, P B. op cit, p 130.


8.1 INTRODUCTION

This chapter describes the detail of how the hypothesis was tested. The test was conducted at the Holiday Inn, Swiss Cottage between February and July. The chapter describes the detailed findings of the application of personal construct theory in determining people's perceptions of quality and the application of the quality circle technique. In the first part the researcher conducted the interviews and in the second part the researcher took on the role of facilitator and observer.

8.2 DIMENSIONS USED BY CUSTOMERS IN THEIR EVALUATION OF SERVICES

To ascertain the dimensions used by customers in their evaluation of services the research study proposed a sample of 24 people from one market segment. The largest market segment of customers in the hotel was the business people segment and seventy business people selected on a random basis from the arrivals list for a fortnight period were invited by a letter from the general manager presented on arrival to participate (Appendix 1). The response rate to these invitations was 20 per cent. This generated a sample of fourteen people, less than the twenty-four required.

The response rate of between 30 per cent and 40 per cent had been expected and the reasons for a lower response rate are not clear. Although it is probable that they include the following:

1) business man are unwilling or unable to spare an hour during a short visit;
2) businessman staying for one night find it particularly difficult to contribute;
3) the invitation to participate was made on arrival when guests are more concerned with other priorities;
4) when busy the receptionist might forget to give the invitation;
5) the receptionist might feel uneasy at encouraging guests to comment on the services;
6) some overseas guests might not relish an in-depth interview in English.

The importance of each of these needs to be considered in any future approaches.

In order not to delay the establishment of the quality circles, it was decided to defer the remainder of the interviews until the quality circles had been established. The remainder of the interviews were conducted in late May.

A repertory grid technique was used in the interviews to determine the dimensions used by customers in evaluating services. At the beginning of each interview the purpose of the overall study and the purpose of the interview and its structure was explained. The interview fell into five parts:

1) negotiating the purpose;
2) eliciting and agreeing the elements;
3) eliciting the constructs;
4) assigning the elements to the constructs;
5) interpreting the grid.

Each of these steps are described below:

1 Negociating the purpose

This involved explaining the purpose of the interview was to determine the characteristics by which each customer evaluates their satisfaction with the activities and
experiences which are important to them whilst staying in the hotel. In some cases this needed further clarification before moving on to the next stage.

2 **Eliciting and agreeing the elements**

This involved asking the customer to select from a list or suggest activities associated with their stay (Table 8.1). They were asked to select these on the following basis:

- the three most satisfying of activities and experiences which are important to you;
- the three least satisfying of activities and experiences which are important to you;
- three other activities or experiences which are important to you, which were neither particularly satisfying or dissatisfying;

during their stay. Customers were advised that they could add other activities to the list if these were considered important to the customer.

3 **Eliciting the constructs**

This involved asking the customer to compare three elements at a time. To do this the customer was asked:

"With the thought of what gives you satisfaction in mind when staying in a hotel. What do two of the activities have in common, which at the same time is different from the third?"

From these comparisons bi-polar constructs evolve. When the interviewee began to repeat earlier constructs frequently, this stage of the interview was concluded.
Table 8.1  **Possible activities or experiences associated with your stay**

<table>
<thead>
<tr>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deciding where to stay</td>
</tr>
<tr>
<td>Making a reservation</td>
</tr>
<tr>
<td>Finding and getting to hotel</td>
</tr>
<tr>
<td>Arriving at hotel and finding room</td>
</tr>
<tr>
<td>Contacting friends and acquaintances (using telephone)</td>
</tr>
<tr>
<td>Receiving messages</td>
</tr>
<tr>
<td>Working in room</td>
</tr>
<tr>
<td>Discussing business in hotel</td>
</tr>
<tr>
<td>Listening to the radio</td>
</tr>
<tr>
<td>Watching TV</td>
</tr>
<tr>
<td>Watching movies</td>
</tr>
<tr>
<td>Entertaining friends</td>
</tr>
<tr>
<td>Having a swim</td>
</tr>
<tr>
<td>Keeping fit</td>
</tr>
<tr>
<td>Planning sightseeing or shopping</td>
</tr>
<tr>
<td>Whiling away time</td>
</tr>
<tr>
<td>Having a rest</td>
</tr>
<tr>
<td>Having a night’s sleep</td>
</tr>
<tr>
<td>Having a snack</td>
</tr>
<tr>
<td>Having breakfast</td>
</tr>
<tr>
<td>Having lunch</td>
</tr>
<tr>
<td>Having dinner</td>
</tr>
<tr>
<td>Having a drink</td>
</tr>
<tr>
<td>Having a bath/shower/wash</td>
</tr>
<tr>
<td>Putting on make up</td>
</tr>
<tr>
<td>Having a shave</td>
</tr>
<tr>
<td>Doing one’s hair</td>
</tr>
<tr>
<td>Keeping clothes fit to wear</td>
</tr>
<tr>
<td>Changing currency</td>
</tr>
<tr>
<td>Making travel arrangements</td>
</tr>
<tr>
<td>Leaving the hotel</td>
</tr>
</tbody>
</table>
4 Assigning the elements to the constructs

The customer then assigned elements to positions on each construct on a ranking basis of 1 to 5. Following this the customer was asked to take an overview and to rank on a 1 to 5 basis, using a construct—most satisfaction/least satisfaction.

5 Interpreting the grid

The grid completed, it was possible to interpret the individual meaning and significance of each construct. Those close in pattern to the overview being significant constructs. When there was time at the interview and findings were tested out with the interviewee. In Tables 8.2 and 8.3 are examples of the original summary of one interview and then the same information re-arranged to show on the top left hand side the characteristics this customer associates with satisfaction.

When the interviews were completed a number of ways of pooling the perceptions of individuals were tried. The first showed in separate tables the pattern of activities the customers associated with satisfaction (Tables 8.4 and 8.5). From these tables it was possible to identify some patterns but they did not highlight sufficiently the areas that require attention.

In order to obtain a clearer picture of the level of importance of different activities the grids were further analysed to determine which activities had been selected as being important and the relative satisfaction with these services when provided. This information is given in Table 8.6.

A further development was to indicate in a single table the relative importance of the activities, the relative importance of the characteristics associated with quality and the areas where the present level of satisfaction needs attention. These are shown in Table 8.7.
Table 8.2 Raw repertory grid for English businessman living in Paris staying for one night

<table>
<thead>
<tr>
<th></th>
<th>Having dinner</th>
<th>Having bath</th>
<th>Contacting friends</th>
<th>Departing</th>
<th>Arriving</th>
<th>Having night’s sleep</th>
<th>Keeping clothes fit to wear</th>
<th>Making reservation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PAIR</strong></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td><strong>SINGLE</strong></td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>5</td>
<td>2</td>
<td>25</td>
</tr>
<tr>
<td>Do it yourself</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dependent</td>
</tr>
<tr>
<td>No need to</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>communicate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Need to communicate</td>
</tr>
<tr>
<td>To quality</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>expected</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not to expectations</td>
</tr>
<tr>
<td>Co-ordinated</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Lack of co-ordination</td>
</tr>
<tr>
<td>Difficult</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Easy</td>
</tr>
<tr>
<td>Satisfying</td>
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Table 8.3  *Refined repertory grid for English businessman living in Paris staying for one night*

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<th>Having bath</th>
<th>Contacting friends</th>
<th>Having swim</th>
<th>Having night's sleep</th>
<th>Arriving</th>
<th>Making reservation</th>
<th>Departing</th>
<th>Keeping clothes fit to wear</th>
<th>Having dinner</th>
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</thead>
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<td>Guest controls time spent</td>
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<td>Hotel controls time spent</td>
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<td>3 3 5 5 5</td>
<td>Dependent on others</td>
<td>1 1 2 2</td>
<td>3 3 5 5 5</td>
<td>Lack of co-ordination</td>
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<tr>
<td>Quality expected</td>
<td>1 1 1 2 1</td>
<td>1 1 5 4 4</td>
<td>Quality below expected</td>
<td>1 1 1 2</td>
<td>1 3 3 3 3</td>
<td>Expensive</td>
<td>1 1 3 3</td>
<td>3 3 3 3 3</td>
<td>Additional cost</td>
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<tr>
<td>Used from outside</td>
<td>5 5 5 3 1</td>
<td>1 1 5 5 5</td>
<td>Used within premises</td>
<td>5 5 5 3</td>
<td>1 1 5 5 5</td>
<td>Optional</td>
<td>5 5 5 3</td>
<td>1 1 5 5 5</td>
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</table>

1 = Efficient  3 = Satisfying  5 = Easy  2 = Inefficient  4 = Irritating  6 = Difficult  8 = Hotel controls time spent  7 = Dependent on others  9 = Lack of co-ordination  4 = Quality below expected  5 = Expensive  3 = Need to communicate  5 = Additional cost  5 = Optional  5 = Used within premises
Table 8.4  Activities pool of business people associate with satisfaction

<table>
<thead>
<tr>
<th>Most satisfaction</th>
<th>Least satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having a nights sleep (5)</td>
<td>Having dinner (4)</td>
</tr>
<tr>
<td>Having a swim</td>
<td>Leaving hotel (2)</td>
</tr>
<tr>
<td>Having a bath/shower (3)</td>
<td>Listening to radio (2)</td>
</tr>
<tr>
<td>Making reservation (3)</td>
<td>Having a snack (2)</td>
</tr>
<tr>
<td>Contacting friends</td>
<td>Keeping clothes fit to wear</td>
</tr>
<tr>
<td>Having dinner</td>
<td>Watching movies (2)</td>
</tr>
<tr>
<td>Arriving at hotel (2)</td>
<td>Making contact with friends inside hotel</td>
</tr>
<tr>
<td>Finding hotel</td>
<td>Weekend hostessing</td>
</tr>
<tr>
<td>Deciding where to stay</td>
<td>Having a rest</td>
</tr>
<tr>
<td></td>
<td>Having drink in room</td>
</tr>
<tr>
<td></td>
<td>Being in room (temp control)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>More satisfaction</th>
<th>Satisfaction</th>
<th>Less satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arriving at hotel</td>
<td>Working in room (2)</td>
<td>Leaving hotel</td>
</tr>
<tr>
<td>Having breakfast</td>
<td>Keeping fit</td>
<td>Having a snack (2)</td>
</tr>
<tr>
<td>Having a swim (2)</td>
<td>Having night's sleep</td>
<td>Discussing business</td>
</tr>
<tr>
<td>Having dinner</td>
<td>Doing one's hair</td>
<td>Having breakfast</td>
</tr>
<tr>
<td>Contacting friends outside</td>
<td>Having a bath</td>
<td>Having a bath</td>
</tr>
<tr>
<td>Working in room (2)</td>
<td>Putting on make up</td>
<td>Listening to radio</td>
</tr>
<tr>
<td>Having a drink (2)</td>
<td>Having a drink</td>
<td>Having a drink in bar</td>
</tr>
<tr>
<td>Getting to other places</td>
<td>Having breakfast (2)</td>
<td></td>
</tr>
<tr>
<td>Having a snack</td>
<td>Watching movies</td>
<td></td>
</tr>
<tr>
<td>Family being in room</td>
<td>Watching TV</td>
<td></td>
</tr>
<tr>
<td>Planning sightseeing</td>
<td>Using shop</td>
<td></td>
</tr>
<tr>
<td>Having bath/shower</td>
<td>Deciding where to stay</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Having lunch</td>
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</tr>
<tr>
<td></td>
<td>Parking car</td>
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</table>

NB  These based on initial sample of 14 people  

296
<table>
<thead>
<tr>
<th>Most satisfaction</th>
<th>Least satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spacious (5) comfort (2) clean (2) colourful elegant</td>
<td>Cramped, crowded restless drab dirty plastic</td>
</tr>
<tr>
<td>Easy to use, do (3)</td>
<td>Difficult to do/use</td>
</tr>
<tr>
<td>Well equipped, facilities required available</td>
<td>Poorly equipped, facilities not available</td>
</tr>
<tr>
<td>Available when required, efficient</td>
<td>Facilities not available when required</td>
</tr>
<tr>
<td>Ability to put right quickly</td>
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<tr>
<td>Do it yourself, guest controls time, guest controls</td>
<td>Inconvenient</td>
</tr>
<tr>
<td>Necessary, convenient</td>
<td>Abrupt, indifferent</td>
</tr>
<tr>
<td>Attentive, pleasant</td>
<td>Limited choice</td>
</tr>
<tr>
<td>Wide choice</td>
<td></td>
</tr>
<tr>
<td>Similar people</td>
<td>Not secure, public</td>
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<tr>
<td>Security, privacy</td>
<td>Cheap</td>
</tr>
<tr>
<td>Value for money</td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>More satisfaction</td>
<td>Satisfaction</td>
</tr>
<tr>
<td>Quiet (3) comfort, good ambience, good lighting well maintained, spacious, bustling, live, business like</td>
<td>Pre visit/during visit Outside hotel/inside hotel</td>
</tr>
<tr>
<td>Easy to use</td>
<td>obligatory/optional</td>
</tr>
<tr>
<td>Facilities required available (2)</td>
<td>Spacious/crammed</td>
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<tr>
<td>Do any time, available when required (3)</td>
<td>Bustling/restful</td>
</tr>
<tr>
<td>Speed of service fast service smooth service no delay no need to communicate</td>
<td>Inclusive/additional cost</td>
</tr>
<tr>
<td>Information needed provided</td>
<td>Reasonable/expensive</td>
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<tr>
<td>Able to communicate (2)</td>
<td>Public/private</td>
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<tr>
<td>Helpful (3) friendly (3) unobtrusive service.</td>
<td>Adequate choice (3)</td>
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<td>Adequate choice (3)</td>
<td>Good value, cheap quality expected</td>
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<tr>
<td>Good value, cheap quality expected</td>
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<td>In room</td>
<td>Co ordinated</td>
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<td>Co ordinated</td>
<td>Food involved</td>
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<td>Important</td>
<td>Adequate choice (3)</td>
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<td>Activity</td>
<td>Percentage of sample who selected experience as important</td>
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<td>Having night's sleep</td>
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<td>Having breakfast</td>
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<td>Having bath, shower, wash</td>
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<td>Having a snack</td>
<td>46</td>
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<td>Having dinner</td>
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<td>Having drink</td>
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<td>Making reservation</td>
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<td>Arriving at hotel</td>
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<td>Having a swim</td>
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<td>Working in room</td>
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<td>Watching movies</td>
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<td>Watching TV</td>
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<td>Car parking</td>
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<td>Finding &amp; getting to hotel</td>
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<td>Listening to radio</td>
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Note: Based on initial sample of 14 people
Table 8.7  Summary of importance and levels of dissatisfaction to pool of business people of the activities and characteristics of hotel services

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<th>Characteristics in order of importance</th>
<th>Activities in order of importance</th>
<th>Availability</th>
<th>Smooth, fast response</th>
<th>Easy to do, use, works</th>
<th>Pleasent, comfort, relaxed</th>
<th>Value for money</th>
<th>Prox reasonable facil</th>
<th>Spacious</th>
<th>Adequate choice</th>
<th>On your own</th>
<th>Important</th>
<th>Controls own time</th>
<th>Friendly</th>
<th>Prox of info required</th>
<th>Inclusive</th>
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<tr>
<td>Listening to radio</td>
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<tr>
<td>Having rest (day)</td>
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<tr>
<td>Deciding where to stay</td>
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<tr>
<td>Whiling away time</td>
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<tr>
<td>Leaving hotel</td>
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<tr>
<td>Cashing cheque</td>
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<tr>
<td>Entertaining friends</td>
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</tr>
</tbody>
</table>

NB Based on full sample of 24 people

KEY
x  less satisfaction
xx  least satisfaction
To ascertain management's perceptions of customers' expectations, the research study proposes a sample of ten senior staff. In fact, twelve staff were interviewed: ten from the hotel and two from head office.

The management in the hotel were interviewed first and a repertory grid technique was used to determine their perceptions of the dimensions used by the customers in evaluating services. The management had already been briefed at a heads of department meeting on the purpose of the study, so no further explanations were given at the beginning of the interview.

In the early interviews, the approach used in selecting the elements was the same as for the customers. In later interviews at unit level, individuals were first asked to rate the level of satisfaction they felt the hotel was providing for areas for which they had knowledge and were then asked to select nine elements from this list. This gave a wider picture of their perceptions of the services provided, and a summary of these is given in Table 8.8.

Some difficulty was experienced in using these elements in the interviews as some of the managers could not relate personally to the elements suggested. For this reason, the selection of elements with senior management was based on the products provided by the hotel (activities or a group of activities for which there is an individual price). These elements are shown in Table 8.9.

The steps of eliciting constructs, assigning elements to positions on the constructs, and taking an overview were similar to those taken with the customers. In Table 8.10, an example of the original summary of an interview with one of the management team is given. When the interviews were completed, a number of ways of pooling the perceptions
### Table 8.8 Summary of management team's overall perceptions and level of customer satisfaction with the hotel's services and facilities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage seeing activity as less than satisfactory (%)</th>
<th>Number of managers who commented 'no'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving messages</td>
<td>75</td>
<td>4</td>
</tr>
<tr>
<td>Having lunch in room</td>
<td>63</td>
<td>8</td>
</tr>
<tr>
<td>Using telephone</td>
<td>57</td>
<td>7</td>
</tr>
<tr>
<td>Having breakfast in room</td>
<td>56</td>
<td>9</td>
</tr>
<tr>
<td>Watching movies</td>
<td>50</td>
<td>8</td>
</tr>
<tr>
<td>Having snack in room</td>
<td>44</td>
<td>9</td>
</tr>
<tr>
<td>Listening to radio</td>
<td>42</td>
<td>7</td>
</tr>
<tr>
<td>Checking appearance</td>
<td>38</td>
<td>7</td>
</tr>
<tr>
<td>Doing one's hair</td>
<td>34</td>
<td>7</td>
</tr>
<tr>
<td>Finding &amp; getting to hotel</td>
<td>33</td>
<td>6</td>
</tr>
<tr>
<td>Leaving hotel</td>
<td>29</td>
<td>7</td>
</tr>
<tr>
<td>Watching TV</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>Changing currency</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>Arriving at hotel</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Having dinner in room</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Putting on make up</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Making a reservation</td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td>Finding room</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Having drink in own room</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Having bath</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Keeping clothes fit to wear</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Having rest during day</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Having breakfast in restaurant</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Having dinner in restaurant</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Discussing business in hotel</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Entertaining friends</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Having a swim</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Keeping fit</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Planning sightseeing &amp; shopping</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Whiling away time</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Having night's sleep</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Having a snack in coffee shop</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Having lunch restaurant/coffee shop</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>Having drink in bar</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Having a shave</td>
<td>-</td>
<td>6</td>
</tr>
</tbody>
</table>
Table 8.9  A range of products offered by OHIC

Living and working accommodation for business people
Living accommodation for individual tourists
Week-end package
Tour operators' package
Conference package (residential)
Conference and meeting package (non-residential)
Banquet packages
Leisure club membership

Breakfast in room
Breakfast in public areas
Snacks and light meals in room
Snacks and light meals in public areas

Executive lunch in restaurant
A la carte lunch in restaurant
A la carte dinner in restaurant
Special dinner in restaurant

Alcoholic beverages in room
Alcoholic beverages in public areas
Non alcoholic beverages in room
Non alcoholic beverages in public areas

Telephone service in room
Telephone service in public areas
Laundry services
Cheque and foreign currency facilities
Gift shop
Travel desk
Hairdressing
Table 8.10 Raw repertory grid of member of management team

<table>
<thead>
<tr>
<th>Deputy General Manager</th>
<th>Having dinner</th>
<th>Watching TV</th>
<th>Whiling away time</th>
<th>Having breakfast</th>
<th>Having lunch</th>
<th>Having swim</th>
<th>Having bath</th>
<th>Having night's sleep</th>
<th>Receiving messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PAIR</td>
<td>1 2 3 4 5 6 7 8 9</td>
<td>5</td>
<td>2 1 3 4</td>
<td>5</td>
<td>1 2 1 5</td>
<td>3</td>
<td>1 5</td>
<td>3</td>
<td>1 5</td>
</tr>
<tr>
<td>8 Guest controls</td>
<td>4 1 1 4 2 2 2 5</td>
<td>Hotel controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Time control by guest</td>
<td>5 1 1 5 3 2 1 5</td>
<td>Time controlled by hotel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24 Involves eating</td>
<td>1 5 3 1 1 5 1 5</td>
<td>Doesn't involve eating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Necessity</td>
<td>1 4 5 1 5 1 1 2</td>
<td>Leisure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 In room</td>
<td>2 1 3 2 5 1 1 5</td>
<td>Other areas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Guest activity</td>
<td>5 2 1 5 2 2 1 5</td>
<td>Hotel activity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Passive</td>
<td>3 3 3 3 5 2 1 1</td>
<td>Active</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Don't meet people</td>
<td>5 2 3 5 3 1 1 3</td>
<td>Meet people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 On own</td>
<td>5 2 3 5 3 1 1 3</td>
<td>With others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Cold prickly</td>
<td>4 3 3 2 1 4 5 1</td>
<td>Warm fuzzy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Less time</td>
<td>4 3 3 2 3 2 5 1</td>
<td>More time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 Less value for money</td>
<td>2 3 3 1 2 4 5 4</td>
<td>Value for money</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most satisfaction</td>
<td>4 3 3 5 5 2 1 1 5</td>
<td>Least satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
of individuals was tried. The first showed in separate tables the pattern of activities the unit management associate with customer satisfaction, Table 8.11 and the pattern of characteristics associated with satisfaction, Table 8.12.

A further development was to indicate in a single table the relative importance of the activities, the relative importance of the characteristics associated with satisfaction and the areas where the present level of satisfaction needs attention, as perceived by the unit management are shown in Table 8.13.

As already indicated two interviews were conducted with senior executives in head office. As has already been explained the elements were different than those for unit management and this may explain the apparent differences in perception. The most significant services and characteristics associated with guest satisfaction are given in Tables 8.14 and 8.15. These are significantly different than those of unit management and point to the need for the service elements to be used in future so that these perceptions can be properly compared.

Table 8.14  Most significant services from the point of view of guest satisfaction identified by senior executives

<table>
<thead>
<tr>
<th>Senior executive A</th>
<th>Senior executive B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business accommodation</td>
<td>Business accommodation</td>
</tr>
<tr>
<td>Restaurant dinner</td>
<td>Week-end package</td>
</tr>
<tr>
<td></td>
<td>Breakfast in public areas</td>
</tr>
</tbody>
</table>
Table 8.11  Perceptions of hotel management of activities associated with customer satisfaction

<table>
<thead>
<tr>
<th>Most satisfaction</th>
<th>Wide range of opinion</th>
<th>Least satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Having bath/shower/wash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having night's sleep</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arriving at hotel</td>
<td></td>
<td>Receiving messages</td>
</tr>
<tr>
<td>Having breakfast</td>
<td></td>
<td>Having snacks</td>
</tr>
<tr>
<td>Watching movies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making reservations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>More satisfaction</td>
<td>Satisfaction</td>
<td>Less satisfaction</td>
</tr>
<tr>
<td>Having swim</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keeping fit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leaving hotel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making travel arrangements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussing business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having lunch</td>
<td></td>
<td>Finding &amp; getting to hotel</td>
</tr>
<tr>
<td>Having dinner</td>
<td></td>
<td>Using telephone</td>
</tr>
<tr>
<td>Watching TV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whiling away time</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deciding where to stay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finding way in hotel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning sightseeing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertaining friends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most satisfaction</td>
<td>Satisfactory</td>
<td>Least satisfaction</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>--------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>fast response/prompt</td>
<td></td>
<td>too high a price</td>
</tr>
<tr>
<td>value for money</td>
<td></td>
<td>doesn't work</td>
</tr>
<tr>
<td>guest controls activity</td>
<td></td>
<td>essential services</td>
</tr>
<tr>
<td>works/easy to do</td>
<td></td>
<td>not available when required</td>
</tr>
<tr>
<td>activity takes time</td>
<td></td>
<td>hotel controls activity</td>
</tr>
<tr>
<td>bonus/additional services</td>
<td></td>
<td>not clean</td>
</tr>
<tr>
<td>restful/relaxing</td>
<td></td>
<td>lack of communication</td>
</tr>
<tr>
<td>comfortable</td>
<td></td>
<td>less comfortable</td>
</tr>
<tr>
<td>available when required</td>
<td></td>
<td></td>
</tr>
<tr>
<td>busy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>important to week-end</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>enough communication/information/easy to find</td>
<td></td>
<td></td>
</tr>
<tr>
<td>facilities required by all</td>
<td></td>
<td></td>
</tr>
<tr>
<td>non food activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>activity at end of stay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>whole product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cleanliness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>alternative difficult choice OK</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Least satisfaction</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Least satisfaction</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 8.13 Summary of management's perceptions of importance and levels of dissatisfaction of business people of the characteristics and activities of hotel services.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>In order of importance</th>
<th>Value for money</th>
<th>Fast response</th>
<th>Relaxing, restful, leisurely comfortable</th>
<th>Works, easy to do</th>
<th>Guest controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making reservations</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changing currency</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having bath</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having swim</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arriving at hotel</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having dinner</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having breakfast</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receiving messages</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watching movies</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel arrangements</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Making reservations</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking appearance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keeping fit</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussing business</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertaining friends</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finding hotel</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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</table>
Table 8.15  Most significant characteristics of service from point of view of guest satisfaction identified by senior executives

<table>
<thead>
<tr>
<th>Senior executive A</th>
<th>Senior executive B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater control of prices</td>
<td>Company controls product</td>
</tr>
<tr>
<td>Prime contribution to profit</td>
<td>Sales opportunity exists</td>
</tr>
<tr>
<td></td>
<td>Opportunity to identify with company</td>
</tr>
<tr>
<td></td>
<td>Personal service</td>
</tr>
</tbody>
</table>

8.4 EMPLOYEES PERCEPTIONS OF DIMENSIONS USED BY CUSTOMERS IN THEIR EVALUATION OF SERVICES

Originally it was intended to conduct interviews with a sample of employees. In the event this would have involved deferring the establishment of the Quality Circles and under those circumstances it was considered preferable to conduct this evaluation within the meetings of the Quality Circles.

The initial perceptions were generated verbally during the first session of each Quality Circle and recorded on a flip chart. Each member was asked to suggest the areas of strength and areas for improvement in terms of quality. Some of these related to their own department's services and in some cases to other departments. In some cases the areas did not appear to be related directly to quality. The summary of these are given in Tables 8.16 and 8.17. From these discussions it was considered that the staffs' perceptions of characteristics associated with quality were as indicated in Table 8.18. The characteristics are divided into seven groups of related characteristics, each group ranked in order of perceived importance.
Table 8.16 Summary of areas of strength identified by the members of the Quality Circles

<table>
<thead>
<tr>
<th>Coffee shop Quality Circle</th>
<th>Front office Quality Circle</th>
<th>Room service Quality Circle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friendly approach to guests</td>
<td>Appreciation for long distance calls and messages</td>
<td>Advice on wines</td>
</tr>
<tr>
<td>Neat &amp; tidy staff</td>
<td>Feel at home</td>
<td>Dealing with complaints</td>
</tr>
<tr>
<td>Recognition of regulars</td>
<td>Know the regulars</td>
<td>Getting correct information on phone</td>
</tr>
<tr>
<td>Quick service of items</td>
<td>Communication</td>
<td>Greeting guests</td>
</tr>
<tr>
<td>available in room</td>
<td>Good team spirit</td>
<td>Giving long term stays personal wants</td>
</tr>
<tr>
<td></td>
<td>Banqueting &amp; Kosher facilities</td>
<td>Serving guest &quot;hot food and drinks&quot;</td>
</tr>
<tr>
<td></td>
<td>Good location &amp; quiet</td>
<td>Serving within time</td>
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<tr>
<td></td>
<td>Good security facilities</td>
<td></td>
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<td></td>
<td>Leisure Club facilities</td>
<td>Good mise en place</td>
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<tr>
<td>Coffee shop Quality Circle</td>
<td>Front office Quality Circle</td>
<td>Room service Quality Circle</td>
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<td>--------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Cleanliness of china</td>
<td>Check out system/computer</td>
<td>Answering telephone by dispense</td>
</tr>
<tr>
<td>Guests have nothing to look at</td>
<td>Message system</td>
<td>Clearing floors of dirty trays</td>
</tr>
<tr>
<td>Lack of uniform service</td>
<td>Sending Telex</td>
<td>Presentation of food</td>
</tr>
<tr>
<td>Quality of food and slow response of kitchen staff</td>
<td>Wake up calls</td>
<td>Value for money</td>
</tr>
<tr>
<td>Lack of communication with all depts and management</td>
<td>Familiar faces &amp; voices lacking</td>
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<tr>
<td>Co-operation of kitchen staff</td>
<td>Interference by management when dealing with guest</td>
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<tr>
<td>Kitchen floor</td>
<td>Need more time for guests</td>
<td></td>
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<tr>
<td>Lack of equipment in circulation</td>
<td>Abrupt staff</td>
<td></td>
</tr>
<tr>
<td>Canteen food</td>
<td>Lack of communication with all depts and within dept eg special promotions, events</td>
<td>Lift maintenance</td>
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<td>Too many young girls</td>
<td>Shortage of staff</td>
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<td></td>
<td>No coffee in lobby</td>
<td>Separate room service area</td>
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<td></td>
<td>Short opening hours in coffee shop</td>
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<td>Slow room service, difficulty with languages, more variety in the menu</td>
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</table>
Table 8.18  Summary of staffs' perceptions of characteristics associated with quality

Recognition
Friendly approach/greeting
Quick service
Ability to communicate

Familiar faces and voices
Neat and tidy staff
Time for guests
Way of dealing with complaints

Cleanliness
Feel at home
Good location
Leisurely
Quiet
Secure
Something to look at
Tidy

Advice on service
Availability of service
Service that works
Service within time
Uniform service

Quality of food
Presentation of food
Serving 'hot and cold' food

Value for money
8.5 COMPARISONS OF DIMENSIONS USED BY CUSTOMERS IN THEIR EVALUATION OF SERVICES COMPARED WITH THE PERCEPTIONS OF MANAGEMENT AND PERSONNEL

A comparison of the important activities as perceived by guests and management is given in Table 8.19. The change in approach to determining the staffs' perception meant that it was not possible to compare their perception. There are significant differences in the activities listed and in their relative importance. Further that five of the six activities with which the guest expressed least satisfaction are seen as less important by the management than by the customers, even though in some areas it was recognised that customers were not satisfied.

A comparison of the perceptions of the characteristics of quality are given in Table 8.20. It seems significant that the most important characteristic identified by the guest is not identified by management or staff and that the most important characteristics identified by personnel is not identified by the customer. There appears to be similar perceptions concerning the remaining characteristics.

8.6 PROGRESS REPORT ON CONDUCT OF PILOT QUALITY CIRCLES EXERCISE

The second part of the research hypothesis on the effective maintenance of quality of hotel and catering services is that those implementing the provision of services need to have mechanisms for taking action to ensure that the key dimensions of quality are met. The pilot exercise was designed to test whether quality circles are an appropriate mechanism for this purpose. This part of the exercise fell into four parts:

1) the development of an approach to quality circles for service activities;
2) the setting up of pilot quality circles;
Table 8.19 Comparison of important activities as perceived by guests and management

<table>
<thead>
<tr>
<th>Guests</th>
<th>Management</th>
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<tbody>
<tr>
<td>Night's sleep</td>
<td>Having bath</td>
</tr>
<tr>
<td>Having snack</td>
<td>Having swim</td>
</tr>
<tr>
<td>Having breakfast</td>
<td>Receiving messages</td>
</tr>
<tr>
<td>Using telephone</td>
<td>Watching movies</td>
</tr>
<tr>
<td>Having bath</td>
<td>Night's sleep</td>
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<tr>
<td>Having dinner</td>
<td>Arriving at hotel</td>
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<tr>
<td>Having drink</td>
<td>Having dinner</td>
</tr>
<tr>
<td>Making reservation</td>
<td>Having breakfast</td>
</tr>
<tr>
<td>Having swim</td>
<td>Having snacks</td>
</tr>
<tr>
<td>Working in room</td>
<td>Discussing business</td>
</tr>
<tr>
<td>Receiving messages</td>
<td>Entertaining friends</td>
</tr>
<tr>
<td>Watching movies</td>
<td>Finding hotel</td>
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</tbody>
</table>

* only in 1 list  x giving least satisfaction

Table 8.20 Comparison of characteristics of quality perceived by guests, management and staff

<table>
<thead>
<tr>
<th>Guests</th>
<th>Management</th>
<th>Staff</th>
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</thead>
<tbody>
<tr>
<td>Availability *</td>
<td>Value for money</td>
<td>Recognition *</td>
</tr>
<tr>
<td>Smooth, fast response</td>
<td>Fast response</td>
<td>Friendly approach, greeting</td>
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<tr>
<td>Easy to do, use; works</td>
<td>Comfortable, leisurely relaxing &amp; restful</td>
<td>Quick service</td>
</tr>
<tr>
<td>Comfortable, pleasant &amp; relaxing</td>
<td>Works, easy to do</td>
<td>Ability to communicate *</td>
</tr>
<tr>
<td>Value for money</td>
<td>Guest controls *</td>
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</table>

* only in 1 list
3) the conduct of the work of the quality circles; and
4) an evaluation of the exercise.

8.6.1 Development of an approach

The first task was to develop, from the material available for quality circles in manufacturing industries, an aid for the circle leaders and members of circles to use as they conducted the exercise. This aid included an introduction to the concept of quality circles; the role of those involved in the work of quality circles; details of the six steps involved; an outline for each meeting tackling each step and guidance on the various techniques to be used during the exercise. The aid used in the pilot scheme is set out in Appendix 2.

8.6.2 Setting up quality pilot circles

The second task was to brief management and invite managers to participate by agreeing to seek volunteers among the staff for which they are responsible. This involved two presentations at two weekly heads of department meetings. The first when the broad concept was introduced and the second when the initial findings of the guest survey were presented and an invitation for volunteers issued.

Two heads of department, the front office manager and the assistant food and beverage manager. In the front office department one shift leader offered to lead a quality circle and in the food and beverage department, the coffee shop manager and the room service manager volunteered. Discussions were then held with each of the volunteers to explore their willingness to participate, to further explain the concepts and to consider the potential size of a circle to be established.
At this stage it was decided to conduct three pilot circles rather than the two originally planned. The leaders were then asked to sound out colleagues with whom they worked who would prepared to participate in the pilot scheme.

The number of volunteers, including the circle leaders, for the circles were front office - 5 people; coffee shop - 4 people; room service - 2 people. It had been hoped to invite a person from the dispense bar and the housekeeping department to participate in the room service circle but this proved impractical.

8.6.3 Conduct of the work of the quality circles

A date of a first meeting for each circle was arranged and each circle leader had a briefing session with the researcher before this first meeting. This practice of briefing of the circle leader before each meeting that was held continued through the exercise.

The stages the circles were expected to follow were:

1) Getting information
2) Selecting standard requiring attention
3) Analysing standard requiring attention
4) Selecting a solution
5) Presenting findings to management
6) Reviewing progress:

The progress when the formal research came to an end was as follows.

The front office quality circle met on at least eight occasions and a number of informal meetings of some members, over a period of three and a half months and completed the full cycle. A summary of its worked used as a presentation to management, prepared by the circle and the managements response are given in Appendix 3.
The coffee shop quality circle progressed intermittently to step 3 over a period of three months. The standard picked for attention was 'misleading information' (description of dishes & hours of opening), other key areas identified for future attention were 'hours of opening' and 'value for money'. Reasons given for the work being delayed include: number of changes in location of coffee shop; visit of BBC; key members off sick and in hospital; member leaving and shortage of staff.

Room service quality circle only held one meeting when two people attended, an invitation for the dispense bar to send a third had not been made. Following this meeting the supervisor had second thoughts on the idea of participating, as he was not convinced of the need for the circle, or that it could be of any help.

8.6.4 An evaluation of the exercise

A number of reasons for two circles not having completed the cycle have become apparent by comparing the experiences gained from three pilot circles. These are set out in Table 8.21. From this comparison it appears that the following improvements could be made to overcome some of the difficulties experienced in the pilot scheme. The numbering indicates from which experience in Table 8.21 the improvements have evolved.

1) Before selecting the groups from which volunteers are likely to be sought, the nature and size of work groups should be determined along the lines of the summary prepared at Swiss Cottage near the end of the exercise (Table 8.22).

2) Potential circle members should be given the opportunity, whenever possible, to learn of the experiences of other groups before volunteering to participate. Potential circle leaders should be given the opportunity, whenever possible, to
Table 3.21 Comparison of experiences gained from three quality circles

<table>
<thead>
<tr>
<th>Coffee shop quality circle</th>
<th>Front office quality circle</th>
<th>Room service quality circle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little consideration was given to the nature and size of the work group and the implications of providing a service 7 days a week at a fairly high level of demand during opening hours (11.00 am to 8.00 pm).</td>
<td>Management, circle leaders and members committed themselves knowing very little about what was involved.</td>
<td>Little consideration was given to the nature and size of the work group and the implications of providing a 24 hour service, 7 days a week.</td>
</tr>
<tr>
<td>Management, circle leaders and members committed themselves knowing very little about what was involved.</td>
<td>No incentives were offered to participate in the pilot scheme, and this may have discouraged some participation.</td>
<td>Management, circle leaders and members committed themselves knowing very little about what was involved.</td>
</tr>
<tr>
<td>No incentives were offered to participate in the pilot scheme, and this may have discouraged some participation.</td>
<td>Five staff, including a shift leader, initially volunteered but one fell out early and soon after left the company. A further volunteer filled the vacancy and all five fully participated in the full cycle.</td>
<td>No incentives were offered to participate in the pilot scheme, and this may have discouraged some participation.</td>
</tr>
<tr>
<td>Four staff, including coffee shop manager, volunteered and when meetings were held all participated fully. At the end of the research step 3 had been reached.</td>
<td>Meetings arranged for an hour at shift handover time, early shift stayed on for an hour and late shift started an hour late as mid afternoon is the quietest period.</td>
<td>Two staff, including room service manager, volunteered, plans for volunteers from other depts. did not materialise. Only step 1 was tackled. Small group meant leader's influence was too great.</td>
</tr>
<tr>
<td>Arranged meetings between 3.00 and 4.00, time of least demand during opening hours.</td>
<td>Meetings were planned fortuitously but had to be altered because of sickness, change of location, visit of BSC, staff leaving and lack of mechanism and responsibility for re-arranging meetings.</td>
<td>Assistant food and beverage manager did not as promised seek volunteer from dispensing bar. Manager of housekeeping dept. also reluctant to participate as not convinced dept. should be involved.</td>
</tr>
<tr>
<td>Meetings were planned fortuitously but had to be altered because of sickness, change of location, visit of BSC, staff leaving and lack of mechanism and responsibility for re-arranging meetings.</td>
<td>Assistant food and beverage manager although keen to establish circles did not take initiative to resolve difficulties experienced in arranging meetings.</td>
<td>It was assumed the coffee shop manager should be the circle leader and no consideration was given to her potential to lead a group.</td>
</tr>
<tr>
<td>It was assumed the coffee shop manager should be the circle leader and no consideration was given to her potential to lead a group.</td>
<td>It was assumed that the room service manager should be the circle leader and no consideration was given to his potential as a group leader.</td>
<td>Completion of circle not experienced by the group.</td>
</tr>
<tr>
<td>Completion of circle not experienced by the group.</td>
<td>views expressed by circle members and management at the end of the exercise: Circle members: makes job more interesting; gives one feeling you are involved; identifies real causes of what makes job difficult; will make relationship with guest easier; keen to continue; being first time was difficult to see way through to the end.</td>
<td>Completion of circle not experienced by the group.</td>
</tr>
</tbody>
</table>

| Little consideration was given to the nature and size of the work group and the implications of providing a service 7 days a week at a fairly high level of demand during opening hours (11.00 am to 8.00 pm). |
| Management, circle leaders and members committed themselves knowing very little about what was involved. |
| No incentives were offered to participate in the pilot scheme, and this does not appear to have discouraged participation. |
| Five staff, including a shift leader, initially volunteered but one fell out early and soon after left the company. A further volunteer filled the vacancy and all five fully participated in the full cycle. |
| Meetings arranged for an hour at shift handover time, early shift stayed on for an hour and late shift started an hour late as mid afternoon is the quietest period. |
| Meetings were planned fortuitously but had to be altered because of sickness, change of location, visit of BSC, staff leaving and lack of mechanism and responsibility for re-arranging meetings. |
| Assistant food and beverage manager although keen to establish circles did not take initiative to resolve difficulties experienced in arranging meetings. |
| It was assumed that the room service manager should be the circle leader and no consideration was given to his potential as a group leader. |
Table 8.22 Nature of departmental work groups

<table>
<thead>
<tr>
<th>Work groups</th>
<th>Group size &amp; %age of week it operates</th>
<th>Group leader</th>
<th>Superior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front line</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>60%</td>
<td>Accountant</td>
<td>General manager</td>
</tr>
<tr>
<td>Security</td>
<td>100%</td>
<td>Chief security officer</td>
<td>&quot;</td>
</tr>
<tr>
<td>Sales</td>
<td>42%</td>
<td>Sales reservations supervisor</td>
<td>Front office manager</td>
</tr>
<tr>
<td>Porters</td>
<td>60%</td>
<td>Head hall porter</td>
<td>&quot;</td>
</tr>
<tr>
<td>Reception</td>
<td>66%</td>
<td>Reception shift leaders</td>
<td>&quot;</td>
</tr>
<tr>
<td>Switchboard</td>
<td>60%</td>
<td>Switchboard supervisor</td>
<td>&quot;</td>
</tr>
<tr>
<td>Maintenance</td>
<td>62%</td>
<td>Asst chief engineer</td>
<td>General manager</td>
</tr>
<tr>
<td>Housekeeping</td>
<td></td>
<td>Assistant housekeeper</td>
<td>Head housekeeper</td>
</tr>
<tr>
<td>Pool</td>
<td>58%</td>
<td>Pool supervisor</td>
<td>House manager</td>
</tr>
<tr>
<td>Bars</td>
<td>58%</td>
<td>Bar supervisor</td>
<td>F &amp; B manager</td>
</tr>
<tr>
<td>Dispense bar</td>
<td>66%</td>
<td>Dispense bar supervisor</td>
<td>Asst F &amp; B manager</td>
</tr>
<tr>
<td>Room service</td>
<td>100%</td>
<td>Room service supervisor</td>
<td>F &amp; B manager</td>
</tr>
<tr>
<td>Kitchen</td>
<td></td>
<td>Souschefs</td>
<td>Executive head chef</td>
</tr>
<tr>
<td>Coffee shop</td>
<td>42%</td>
<td>Coffee shop manager</td>
<td>F&amp;B manager</td>
</tr>
<tr>
<td>Stewarding</td>
<td>75%</td>
<td>Chief steward</td>
<td>Asst F &amp; B manager</td>
</tr>
<tr>
<td>Restaurant</td>
<td>100%</td>
<td>Asst restaurant manager</td>
<td>F &amp; B manager</td>
</tr>
<tr>
<td>Staff canteen</td>
<td>46%</td>
<td>Chief steward</td>
<td>Asst F &amp; B manager</td>
</tr>
<tr>
<td>Food &amp; beverage control</td>
<td>46%</td>
<td>F &amp; B controller</td>
<td>&quot;</td>
</tr>
</tbody>
</table>

Key: x nos of staff in dept.  NB Banqueting dept. not included y% service coverage during week
observe meetings of established quality circles in progress. Short training programmes should be offered to management and potential circle leaders at the start of implementing a programme.

3) Consideration should be given to members of the circles should receive any additional weekly payment for the weeks during which they are a member of an article circle.

4) A group should only be established when there are sufficient numbers of staff (3-7) who do similar work, and are willing to volunteer and commit themselves to participate in the full cycle; and when it is practical for the group to meet consistently for an hour a week for 6-8 weeks. The person responsible for the department rota should arrange the rota so that meetings are possible possible.

5) Management should be made aware that there commitment will be judged on their active support rather than initial statements on a schemes introduction.

6) In an initial programme care should be taken to set up circles where possible leaders have good potential to act as a leader of a group.

7) Steps should be taken to ensure the momentum of the circle, particularly whilst tackling its first problem, is kept up so that members and management enjoy the experience of the benefits of the circle activity. A facilitator needs to be appointed to act as adviser and to encourage leaders to fulfill commitments. A co-ordinating quality committee needs to be established to maintain the momentum and to act as a forum for exchanging experiences and ideas.
CHAPTER 9  CONCLUSIONS

9.1 INTRODUCTION

In the introductory chapter of this thesis the growth of interest in quality, the increasing significance of the service sector and the present level of knowledge on the present quality of hospitality services was examined. The following five chapters give the background from which the hypothesis evolved. The hypothesis and the techniques selected to test the hypothesis are described in chapter 7 and in chapter 8 a description of the testing of the hypothesis is set out.

This chapter sets out the conclusions on the validity of the hypothesis in the light of the test, a model of the factors affecting quality of hospitality services, the conclusions on the appropriateness of the techniques used to test the hypothesis and suggestions on areas where further research is required.

9.2 CONCLUSIONS ON HYPOTHESIS

The hypothesis that was tested was:

Quality of hotel and catering services are most effectively maintained when both those responsible for policy making and implementation of such services are both able to perceive the key dimensions used by the customers themselves in their evaluation of the services and when those implementing have the mechanisms for taking action to ensure that realistic quality services are maintained.
The repertory grid technique indicated that each customer has their own unique combination of dimensions when they evaluate services and that there is considerable commonality between those using services for the same purpose. Further that policymakers and implementors have their own unique combination of dimensions but that again there is considerable commonality between policymakers and between implementors.

It was also shown that there were considerable differences between the perception of each and that in an area where this difference was greatest it appears that the customer is more likely to be dissatisfied. These findings need to be further tested with a larger number of customers from the main market segments and a larger number of personnel.

It is more difficult to draw conclusions on the second part of the hypothesis based on the technique used to test this part of the hypothesis.

The experience gained from the front office quality circle suggests that the quality circle technique is an appropriate mechanism at least for some work groups in an hotel for taking action to ensure that the quality of service is maintained. From the experience gained from the other two quality circles this conclusion cannot be drawn.

Some reasons for the lack of effectiveness of these circles have been suggested but further investigation is required before coming to any definite conclusions. There appear to be at least three reasons why the circles may not have been successful. First, the technique is fundamentally sound for groups of hotel workers but that improvements need to be made to the technique and its introduction. The quality circle technique is only appropriate to some groups of workers and that other mechanisms need to be
developed for other groups. Third, that mechanisms for taking action are an unimportant variable affecting the quality of service.

Initial conclusions are that there are a number of variables which affect the quality of service and that in different circumstances the variable or variables having most influence will differ. From this it appears that different strategies and mechanisms will be required to bring about change according to the cause of any failure to provide quality services, and not, as suggested in the second part of the hypothesis, limited to mechanisms used by implementors for taking action to ensure that the key dimensions are met.

At Swiss Cottage it appears that it would have been wise before introducing quality circles to have determined the expectations of the different market segments and the degree of uniformity and variety of these needs, to have determined the quality policy of the organisation and the means of measuring guest satisfaction, before deciding whether the quality circle technique was an appropriate technique to use.

The testing of the first part of the hypothesis suggests that the perceptions of the human variable is probably the first to consider. From this it should become apparent which of the other variables identified in chapter 5, environment; goals; technology; structure; control and administration should also be considered.

When the differences of the perceptions of customers are between policymakers and between customers and policymakers the variables that are likely to need attention are environment and goals.
When the differences of perceptions of quality are between the customers and the implementors this suggests a need to concentrate on the 'human variable' and structure. Where common perceptions exist but there are differences between expectations and satisfaction, this suggests a need to concentrate on structure, control or technology. It is when the significant variable appears to be technology or human variable that quality circles are likely to be most appropriate.

As a result of this research it appears that the hypothesis should have been wider in concept and the following is now proposed:

Quality of hotel and catering services are more likely to be maintained when both those responsible for policy making and the implementation of such services are both able to perceive the key dimensions used by the customers themselves in their evaluation of the services; when those responsible for policy making are aware of and control the organisation variables that influence quality; and when those implementing have the mechanisms for taking action to ensure that realistic quality services are maintained.

It seems probable that the action required will vary considerably according to the degree of stability or uncertainty of the environment in which the services are provided and that the characteristics may vary as suggested in Table 9.1.
<table>
<thead>
<tr>
<th>Stable</th>
<th>Uncertain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in general environment little influence in setting</td>
<td>Changes in general environment have significant influence in setting</td>
</tr>
<tr>
<td>Steady task environment</td>
<td>Changeable task environment</td>
</tr>
<tr>
<td>Tend to be simple limited offerings with short periods in service system</td>
<td>Tend to be complex wide range of offerings with long periods in service system</td>
</tr>
<tr>
<td>Expectations shaped by providers</td>
<td>Provider responds to consumers' expectations</td>
</tr>
<tr>
<td>Goal of uniformity</td>
<td>Goal of variety</td>
</tr>
<tr>
<td>Less commitment to values of customers required by personnel</td>
<td>More commitment of personnel to shared assumptions on values of customers</td>
</tr>
<tr>
<td>Low technical skills</td>
<td>High technical skills</td>
</tr>
<tr>
<td>Motivation by discipline and tangible reward</td>
<td>Motivation by shared culture and or participation</td>
</tr>
<tr>
<td>High proportion of non-human bearers of service</td>
<td>High proportion of human bearers of service</td>
</tr>
<tr>
<td>High mechanisation</td>
<td>Low mechanisation</td>
</tr>
<tr>
<td>Quality built in system</td>
<td>Quality in control of front line</td>
</tr>
<tr>
<td>High differentiation of tasks</td>
<td>Integration mechanisms and lower differentiation</td>
</tr>
<tr>
<td>Hierarchial structure</td>
<td>Flatter structure</td>
</tr>
<tr>
<td>Mechanistic operation and management controls</td>
<td>Organic operation and management controls</td>
</tr>
<tr>
<td>Bureaucratic administration</td>
<td>Front line administration</td>
</tr>
</tbody>
</table>
9.3 MODEL OF FACTORS INFLUENCING QUALITY OF HOSPITALITY SERVICES

The following framework has evolved to provide an approach to understanding and controlling the quality of hospitality services (Figure 9.1). The controllables are all identified which can be used by management in maintaining quality.
Figure 9.1 Framework for understanding and controlling quality of hospitality services

Market Segments
- Domain (human variables)
- Socially determined
- Predictors &
  Characterising
- Potential customers

Pre Experience
- Evaluation/communication
  - Actual service offering
  - Price, brand, standards, image, advice
  - Customers seeking satisfaction
  - Potential quality
  - Achievement of potential quality

Experience Sequence
- Evaluation/communication
  - Actual service conversion process
  - Advice, righting mechanisms
  - Satisfied customers
  - Partial satisfied customers
  - Dissatisfied customers

Inputs and external exchanges
- Environment:
  - Technology: equipment, materials & services, personnel (human variables)
  - Monitoring
- Financial
- Legislation
- Controllable
- Non-human bearers (technological factors)
- Human bearers (institutional factors)

Internal interactions
- Design process:
  - Design service
- Structure:
  - Rewards:
  - Motivation:
- Controls:
  - Management:
  - Operations:
- Administration:
  - Procedures:
  - Performance levels:
  - Strategies:
  - Planning:
The hypothesis consists of two parts: the first concerned consumers' perceptions of service and how these compare with those responsible for policy making and the interpretation of service; and the second involved implementing mechanisms for providing service. The technique adopted for the first part was repertory grid and for the second part the quality circle technique.

Repertory grid technique proved to be a valuable way of determining the key dimensions used by the customers in evaluating services and for establishing a benchmark for customer satisfaction. Even though the technique is time consuming and difficult to persuade customers to give an hour of their time, as evidenced by the fact that only 20% of those initially invited agreed to participate. Those that participated appeared to enjoy and recognise the value of the technique used, and this experience could be drawn on in future approaches by making known the outcome of previous surveys and subsequent action taken to further improve the quality of service.

Using part experiences as elements generated rich personal constructs, particularly in areas concerning 'fitness for use' and reliability. It is suggested that it would also be worthwhile on future occasions, for part of the sample, to use total experiences as elements. In this way it is probable that more constructs concerning the areas of aesthetics and design, and 'social symbol' would evolve.

The policymakers and personnel found it more difficult to use part experiences as the elements. An alternative approach of using service offered, was tried with two senior executives late in the study and proved to be more effective. Other possible elements that might be tried
are: places or departments worked or known. Another alternative, which would be easier but less valuable, would be to ask personnel to rank the elements and constructs identified by the customers.

Improvements in the method of inviting consumers to participate need to be introduced. It is believed that the personnel in contact with the customers should be involved in determining the approach in order to gain commitment, and that the invitation should be issued at some other time than at arrival. Evidence should be given to the consumer that the information will be used and consideration be given to offering some incentive to improve the response.

In view of the time commitment required to obtain the qualitative data by individual interviews it may be worth considering checking its validity in a quantitative way by designing a questionnaire based on the findings obtained through a small number of interviews conducted by the repertory grid technique, the interviewees selected on a random basis.

The presentation of the comparisons of customers, policy-makers and implementors perceptions of quality to the policy makers surprised them and made them more aware of how wide the differences are. The comparisons of customers' and personnel's perceptions, when presented to the implementors who were members of quality circles had a significant effect on the areas picked for improvement, as indicated in chapter 8 and suggests that the technique is valuable for identifying the areas that require attention.

The test was limited to one market segment before moving on to the second stage. Ideally the perceptions of each major market segments should be determined before selecting the areas that require attention, as some may have a wider impact than others.
In order to continue a quality improvement programme there is a need to develop quality feedback systems for operational staff and management. These systems could also be used for determining the preferred ways that customers and personnel would like to use for doing this.

The second technique adopted, quality circles, for providing a mechanism for taking action to ensure key quality dimensions are met, proved to be less effective than anticipated. What seems certain is that it is a technique that could be successful in a limited number of companies who are prepared and willing to adopt a participative approach to management, a style which historically has not been very prevalent in the hospitality industry.

What is more difficult to determine is whether it is an appropriate style to be adopted by CHIC, who are one of the progressive and participative companies in the United Kingdom. The success of one of the three quality circles suggests that it can be successful in some circumstances; what needs to be done is to determine whether the obstacles experienced by the other circles can be overcome. The major difficulties seem to have been caused by the size of the working group and the length of time the service was provided, the commitment of management and the ease of maintaining continuity within the group and with management with different shifts and days off. Overall lack of understanding of the nature of the quality of service and an effective feedback system.

A number of benefits were identified by the members of the quality circles and management. Members of the quality circles suggest that it makes relationship with guests easier; makes the job more interesting; identifies real causes of what makes a job difficult and gives one the feeling of being involved.
Management suggested it provided the opportunity to improve services, unlocks good ideas, gets more commitment than handed down solutions, improves co-operation between staff and focuses on priorities.

In any future introduction a careful analysis of the nature of work groups should be carried out before seeking volunteers and management should be given more background and understanding before seeking support.

It is certainly worthwhile giving another try. There is also a need to consider alternative approaches in companies that do not have the wish to adopt a more participative approach. The more uniform the service, it seems likely there would be less need for a participative approach.

Although there was considerable room for improvement in the application of the techniques, they were appropriate for testing the hypothesis as stated.

9.5 FURTHER RESEARCH

During the research the need for further research into a number of areas has been identified.

The first is the need to gain a deeper understanding of which indicators consumers select to predict the quality of service and the relative significance of these when consumers from each market segment make when evaluating services before experiencing them.

The second is to further examine the present methods of determining whether customers are satisfied with an experience during and after the experience and to determine more effective methods for implementors to gain feedback and for policy makers to measure overall effectiveness.
The third is to examine whether it is possible to classify service systems along the lines of Woodwards' classification of manufacturing companies and to identify for each class the most appropriate pattern for each variable including structure, technology and controls.

The fourth is to develop further the approach adopted in the research to develop mechanisms for more autocratic management styles and to test these in other units, other hotel companies and possibly other service organisations.
This letter is asking for your help in a project designed to further improve the standards the hotel offers to our customers.

The way in which I hope you will feel able to help is by agreeing to meet and discuss with Michael Nightingale, a consultant and researcher from the University of Surrey, those standards which are most important to you when staying in an hotel.

Customers that have already participated seem to have enjoyed the interview which is rather different than the normal market research interview and can take up to an hour of your time. Afterwards, we hope you will accept some small gift as a mark of appreciation for giving us your help.

Michael Nightingale will be available from 4 pm to 10 pm on Wednesday and Thursday evenings and should you want to help us in this way, would you please contact the Duty Manager as soon as it is convenient, to suggest when you could be available. You will then be contacted to confirm the time and place of the meeting. It is hoped to arrange a meeting each hour on the hour.

I do hope you will feel able to help us in this way.

EDUARD P van EMPEL
General Manager
QUALITY CIRCLES IN A HOLIDAY INN
An approach to quality and productivity

developed by Michael Nightingale
to be tested with Commonwealth Holiday Inns
of Canada at the Holiday Inn, Swiss Cottage.

March 1981
```markdown
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Selecting a solution .................. 4

Presenting findings to management .......... 5

Reviewing progress .................. 6

**Notes for guidance**

Evaluating customers' expectations

Setting targets for improvement

Gathering information

Presenting findings

Analysing cause and effect

Listing and generating ideas

Ranking ideas
```

INTRODUCTION

What is a quality circle?

A group of up to eight volunteers from a department who are interested in the maintenance and or improvement of the quality and value of the services provided by the department to the customer. A Quality Circle meets periodically, normally under the leadership of a supervisor, to consider and make recommendations to management, where necessary, on the action to be taken to maintain or improve quality.

What does a quality circle do?

Over a series of meetings, normally fortnightly, it takes a number of steps along the lines of those set out below to tackle departmental quality and productivity problems.

1. Getting information
2. Selecting standards requiring attention
3. Analysing standards requiring attention
4. Selecting a solution
5. Presenting findings to management
6. Reviewing progress

Suggestions for the Quality Circle on what to do at each meeting will be given at each meeting.
ROLE OF PARTICIPANTS

Members of circles

To attend and participate in fortnightly meetings of a departmental Quality Circle for a period of three months.

To carry out realistic tasks on behalf of Quality Circle between meetings.

To make a contribution to the Quality Circle drawing from own unique experience and knowledge.

Leaders of circles

To lead a group during a series of meetings through the steps in the Quality Circle approach.

To provide equal opportunity for members of Quality Circle to participate in meetings.

To guide the Quality Circle with the assistance of the unit co-ordinator and researcher to use Quality Circle techniques.

To offer guidance to members of Quality Circle in conducting tasks allocated to them.

Unit co-ordinators

To co-ordinate the activities of Quality Circles in the unit.

To facilitate access to information and advice outside the Quality Circle's department.

To provide in liaison with the researcher advice or training in Quality Circle techniques.
ROLE OF PARTICIPANTS (continued)

Management

To generate interest and enthusiasm for the pilot exercise

To make arrangements for the possible establishment on a voluntary basis of two Quality Circles (one in direct contact with the customer and another serving as a back-up department).

To show commitment and support to the Quality Circles by enabling the meetings to take place and providing resources required wherever practical.

To attend meetings at mutually convenient times to hear and consider the findings and recommendations of Quality Circles.

To respond to the recommendations in a reasonable time, either supporting their implementation and timing with or without amendment or explaining with reasons why the recommendations cannot be implemented.
ROLE OF PARTICIPANTS (continued)

**Researcher**

To prepare, guide and monitor in consultation with management a pilot exercise.

To act as an adviser to Quality Circle leaders, co-ordinators and management.

To act as an observer of Quality Circle activities.

To conduct some of the information tasks of the Quality Circles.

To conduct an evaluation of the pilot exercise.

**Head office co-ordinator**

To facilitate access to information and advice available at head office, which is not available in the unit.

To co-ordinate the activities of Quality Circles in different units.

To provide with the aid of the researcher advice or training to the unit co-ordinators or Quality Circle leaders, which is not available in the units.
FIRST STEP - GETTING INFORMATION

Objectives of meeting

To have made members aware perceptions of quality differ
To have explained the six steps of the approach
To have generated lists of standards that the circle feel are successfully maintained and those that require attention.
To have received the information gained from the guest surveys.
To have allocated tasks that need doing before the next meeting.

Possible outline of the meeting (one session 1 1/2 hours)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductory comment by management</td>
<td>2 min</td>
</tr>
<tr>
<td>Introduction to Quality Circles approach and days programme by group leader</td>
<td>8 min</td>
</tr>
<tr>
<td>Listing and clarifying standards which the circle considers the department successfully maintains and those that require attention (first individually and then as group)</td>
<td>20 min</td>
</tr>
<tr>
<td>Receiving information from guest surveys</td>
<td>15 min</td>
</tr>
<tr>
<td>Deciding what information will be required to select an area for attention and agreeing who will collect information for next meeting</td>
<td>25 min</td>
</tr>
<tr>
<td>Recap future steps and fix time next meeting</td>
<td>5 min</td>
</tr>
</tbody>
</table>

Requirements for meeting

Quiet room without interruption
Round table
2 flip charts (1 blank, 1 with outline of meeting and steps)
Pencils
Writing paper
SECOND STEP - SELECTING STANDARDS FOR ATTENTION

Objectives of meeting

To add to and review the information generated at first meeting.

To compare perceptions of quality of consumers, staff and management.

To test application of Quality Circle techniques.

To select worthwhile standards requiring attention.

Possible outline of meeting (one session 1½ hours)

Recap and introduction to second session 2 minutes

Receive information gathered by circle members and researcher 30 minutes

Review lists generated in first session in light of additional information 8 minutes

Rank areas requiring attention in terms of importance to customer (value & quality) 8 minutes

Rank areas requiring attention in terms of ease and speed to put matter right 8 minutes

Consolidate rankings 8 minutes

Select standards for attention, set target for quality and/or productivity improvement, agree additional information required and responsibility for obtaining it 10 minutes

Confirm date and time of next meeting 1 minute

Requirements for meeting

Quiet room without interruption

Round table

3 Flip charts (2 blank, 1 for feedback from circle members and information gained by researcher through repertory grid technique)

Pens, paper
THIRD STEP - ANALYSING STANDARDS REQUIRING ATTENTION

Objectives of meetings

To identify possible causes for difficulties experienced in maintaining standards requiring attention
To determine the main causes that need examination

**Possible outline of meeting** *(two sessions of 1 hour)*

1st meeting

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review target set at previous meeting for standards improvement</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Identify with aid of cause and effect diagram possible causes and sub-causes for difficulties experienced in meeting standards</td>
<td>45 minutes</td>
</tr>
<tr>
<td>Clarify purpose of next session and determine additional information required and responsibility for obtaining it</td>
<td>8 minutes</td>
</tr>
<tr>
<td>Fix date and time for next session</td>
<td>1 minute</td>
</tr>
</tbody>
</table>

2nd meeting

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recap and introduction to session</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Receive information gathered by members</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Review list of causes</td>
<td>5 minutes</td>
</tr>
<tr>
<td>Individuals rank causes</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Consolidate rankings</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Generate ideas for solutions</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Agree additional information required and responsibility for obtaining it</td>
<td>10 minutes</td>
</tr>
<tr>
<td>Fix date and time of next meeting</td>
<td></td>
</tr>
</tbody>
</table>

Requirements for meetings

- Quiet room without interruption
- Round table
- 3 Flip charts (2 plain, 1 with cause and effect diagram)
- Pen, paper (including cause and effect diagrams)
FOURTH STEP - SELECTING A SOLUTION

Objectives of meetings

To generate possible solutions
To select a solution to recommend to management

Possible outline of meeting (one or two sessions of 1½ hours)

- Recap on third step and introduce session: 4 minutes
- Receive information gathered by members: 12 minutes
- Add and review solutions generated at previous session: 6 minutes
- Rank solutions on basis of likely effect in achieving target: 6 minutes
- Rank solutions on basis of cost and practicality: 6 minutes
- Consolidate rankings: 5 minutes
- Select a solution: 5 minutes
- Further develop solution and plan for implementation: 15 minutes
- Agree responsibility for finalising report: 2 minutes
- Fix date and time of next meeting: 1 minute

Requirements for meetings

- Quiet room without interruption
- Round table
- Flip charts (1 plain, 1 with summary of solutions from last meeting)
- Pens, papers.
FIFTH STEP - PRESENTING FINDINGS TO MANAGEMENT

Objective of meeting
To present findings and recommendations to management

Possible outline of meeting (one session of 1 hour)

Part one (Quality Circle members)
Consider summary of findings and recommendations to be presented to management
Confirm form of presentation to be made to management
10 minutes
20 minutes

Tea break (management to join meeting)
15 minutes

Part two
Present findings and recommendations to management
Clarify any points to management not fully understood
15 minutes
15 minutes

Requirements for meeting
Quiet room without interruption
Round table
Flip chart: (1 outlining findings and recommendations)
Supporting information
Pens, papers

345
SIXTH STEP - REVIEWING PROGRESS

Objectives of meeting
Receive management decisions
Review list of standards requiring attention
Select area for attention

Possible outline of meeting (one session of 1 hour)

Receive a report from management outlining plans for implementation if approved and reasons for any amendments or non-acceptance 15 minutes
Add and delete standards to list previously identified and review 15 minutes
Consider whether additional feedback information is required and if so delegate responsibility 15 minutes
If sufficient information available select through ranking process next standard/s requiring attention 14 minutes
Fix date and time of next meeting 1 minute

Requirements for meeting

Quiet room without interruption
Round table
Flip charts (1 blank, 1 with steps in process and list of areas identified initially)
Pens and paper
EVALUATING CUSTOMERS' EXPECTATIONS

1. Establish the total population of guests staying in the hotel during the period of evaluation and estimate size of each market segment.

2. Decide on market segments to be included and the size of each sample.

3. Select on random stratified basis the guests to be approached and determine procedure for non-response.

4. Arrange for reception to ask for cooperation of guests.

5. Arrange procedure for determining timetable for interviewing guests and location.

6. At beginning of interview explain purpose and technique to be used:
   - Purpose
   - Technique

7. Interviewees then asked to select nine experiences from those given which include:
   - 3 most satisfying experiences
   - 3 least satisfying experiences
   - 3 other experiences (neutral)

8. Following this after further explanation constructs are elicited by giving selected triads.

9. Constructs are entered on grid by interviewer, at same time a card is prepared for each set of constructs to help with completion.

10. When all constructs are elicited, guests are asked to rank experiences against each construct. Cards marked I - V to assist. Grid to be completed by interviewer.

11. Following this interviewee is asked to give a top view of ranking of quality standards.

12. This concludes the interview.

13. Following this the researcher interprets the grid and determines which constructs relate to the interpretation of quality standards.
SETTING TARGET FOR IMPROVEMENT

A target for quality and/or productivity improvement needs to set out an objective on what has to be achieved, described in terms of an end result and in a way that can be measured.

GATHERING INFORMATION

The group at each meeting will need to consider with the target for improvement and the objectives of the next meeting to consider what additional relevant information is required and who is going to be responsible for collecting it.

The information required (evidence, facts, ideas or experience) need to be identified by the group and the individual who volunteers or is delegated to obtain it. The group leader, co-ordinator and researcher will be available for helping to clarify needs and to give access to sources required.

PRESENTING FINDINGS

The presentation should be brief and concise and include verbal and written content. Only the major issues which were explored and the reasons for this should be given. The recommendations should include an action plan and suggested realistic time table for implementation.
ANALYSING CAUSE AND EFFECT

1 In line with the target identified for improvement the present position should be indicated in the effect box of the cause and effect diagram.

2 Members are asked to identify possible causes and in turn to list these on the diagram. These can be listed under the 5 M's - Market, Manpower, Machinery, Methods and Materials. Where causes are related they should if possible be divided into causes and sub-causes.

3 Following this the group preferably at a second meeting rank the causes in degree of importance in causing the effect identified.

Cause and effect diagram
LISTING AND GENERATING IDEAS

At different stages the group needs to list standards, causes, and solutions. This technique can be used for all of these listings.

1. To begin the activity of listing ideas each member of the group is asked to list his or her ideas on a piece of paper for a few minutes.

2. Each individual is then asked in turn to give an idea which is listed on a flip chart without comment. This listing continues until the ideas identified are listed. Individuals can pass if they have no further ideas at the time of each round. Any further ideas can be added to their lists as the listing continues.

3. When the initial listing is completed members of the group can ask for clarification of the meaning of words or phrases. Anyone can give the clarification.

4. Following this the group is asked to consider if they can suggest any additional ideas.

NB It is important to list the ideas without giving any indication of who has made them.

RANKING IDEAS

At different stages the group need to rank standards, causes and solutions. This technique can be used.

1. The group should first decide on what criteria they wish to rank the ideas and whether the important criteria can be combined in a single ranking. Further how many rankings are to be completed.

2. Following this the number of ideas which are to be chosen for ranking needs to be determined.

3. Individual members of the group are then given sets of cards according to the number of rankings to be completed and asked to write on each card the ideas they wish to rank.

4. Following this the cards are arranged from most to least important and then numbered (highest number most important, lowest number least important ie 1)

5. The rankings are then listed without indicating who made the rankings and by addition the most important ideas are identified.
The eighteen page written presentation was jointly prepared by the members of the Quality Circle and was distributed to members of the management team during a verbal presentation to management by the Quality Circle.

Management's response at a second meeting with the Quality Circle is attached.
A LITTLE INDUCTION

The quality circles, a technique used in Japan has made a significant contribution to the reputation it has established for producing reliable goods. This approach is designed to bridge the gap between members of staff and managers and to draw on the large reservoir of knowledge and skill of the personnel.

The concept is a simple one, up to eight people from a department meet regularly under the leadership of a supervisor to examine problems affecting guest satisfaction and recommending solutions to these problems.

Quality circles are completely voluntary bodies. Once the circle has been formed it selects its own problems and presents recommendations to management. The initiative for action comes from the personnel side, rather than the more traditional approach of being initiated by management.

WHAT DOES THE QUALITY CIRCLE DO?

Over a series of meetings, normally fortnightly, the circle takes a number of steps, as set out below, to tackle departmental quality and productivity problems.

1ST STEP
Getting information

2ND STEP
Selecting standards - requiring standards

3RD STEP
Analysing standards - requiring attention

4TH STEP
Selecting a solution
5TH STEP
Presenting findings to management

6TH STEP
Reviewing progress

The Japanese Circle at Holiday Inn Swiss Cottage started on 3rd April, 1981. It consists of 5 members from Front Office department meeting on a regular basis.

Mr. Nightingale interviewed approx. 30 guests in our hotel. He found out where our service is lacking and where our service is good.

50% of guests who thought using the telephone was important, were dissatisfied with the telephone system.

100% of guests who thought check-out was important were dissatisfied with the check-out system.

THE FIRST MEETING

This was introduced by Michael Messenger who thanked everybody in anticipation of the voluntary work that they were going to do during the next three months. A list was to be made pointing out the items that the guests would find most satisfactory, i.e.:

Good points

1. know the regulars
2. appreciation for long distance calls and messages
3. 'feel at home'
4. good team spirit
5. communications
6. Good security facilities
7. Well known name and known standards.
8. Leisure Club facilities
9. Banqueting and kosher facilities
10. Good location and it's quiet

Then a list was made of the points needing improvement, i.e. :

1. Short opening hours in Coffee Shop
2. No coffee in the Lobby
3. Lack of communication with all depts and within the dept e.g. special promotions and events.
4. Slow room service, difficulties with languages, more variety on menu
5. Change Message System in Reception
6. Wake up calls and newspapers
7. Abrupt staff
8. Atmosphere
9. Too many young girls
10. Familiar faces and voices
11. More time for guest
12. Check out system/computer
13. Interference by management when dealing with guest
14. Sending telex etc.
THE SECOND MEETING

Firstly, the information generated at the first meeting was reviewed.

The areas that need attention, in terms of importance to the customer, were listed.

The areas were assessed from 1 - 5, (1 being the most important, 2 the next important etc)

- Atmosphere 4 4 5
- Communications 5 5
- Reservations 4 4
- Messages 5 2 2 2 1
- Checkout 1 1 1 1
- Wakeup calls 3 3
- Using telephone 3 3
- Opening hours in Coffee Shop 4
- More time for guest 3
- Slow room service 2
- sending telexes 4

Messages and checkout were then assessed in terms of ease and speed to put matters right :-

- Messages 1 1 2 2 3 4
- Checkout 4 4 5 5

The most difficult one was chosen i.e.

Checkout system

Before the third meeting was held, the present checkout system had to be analysed. This had to be done in 7 days and on each day approx 10 - 20 checkouts were timed. The average checkout time is approx 2 - 3 minutes per person and queues up to 15 people. The timings are attached.
<table>
<thead>
<tr>
<th>Day</th>
<th>Breakfast Not Posted</th>
<th>Breakfast Posted</th>
<th>Cash Payment</th>
<th>Credit Card Pay.</th>
<th>A/C to Company</th>
<th>Wrong Payment Selection</th>
<th>Queries on a Bill</th>
<th>Time</th>
<th>MIN</th>
<th>SEC</th>
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Time: 2:02
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<th>DAY</th>
<th>BREAKFAST NOT POSTED</th>
<th>BREAKFAST POSTED</th>
<th>CASH PAYMENT</th>
<th>CREDIT CARD PAY.</th>
<th>A/C TO COMPANY</th>
<th>WRONG PAYMENT SEGMENT</th>
<th>QUERIES ON BILL</th>
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</tbody>
</table>

15 C/O's  Average time 2:18 recs
THE THIRD MEETING

A target was set of 2 minutes for a cash checkout and 1½ minutes for a credit checkout. A queue of up to 6 people is acceptable.

We had to write down all the points which kept us from achieving this standard. The Fishbone system was used (see over)

These were then ranked from 1-5 which needed most attention
FOURTH MEETING

At this stage we had to again rank the problems that interfered with us achieving our target.

PERSONNEL

1. Trainees – inexperienced staff with trainees
2. Staff shortage – manning – demand
3. Management interference
4. Lack of knowledge to do other jobs

GUESTS

1. Queries
2. Guest doesn't know when it is busy
3. All want to leave at the same time
4. Pay up to date

EQUIPMENT

1. Breakdown of Computer
2. Slow (Computer)
3. Inadequate ventilation (Computer)
4. Difficult to trace guest who has checked out
5. Transfer key
6. Calculator
7. Only two printers

SYSTEMS

1. Group check-out
2. Extra folios
3. Breakfast system
4. Training

OTHERS

1. Giving out department keys
2. Telephone calls
3. Tidy Reception area
4. Telephone cables
5. Request for Porter Service
SUMMARY

1. Staff - shortage
2. Computer
3. Guest
4. Breakfast system

FIFTH MEETING

All of us had to think of some suggestions to each point.

STAFF - SHORTAGE

1. Employ more experienced staff
2. More staff on middle shift
3. All receptionists should be trained as Cashiers.
4. Switchboard staff trained to do reception duties and some cashier duties.
5. Switchboard answer all front desk calls, until 8.30 a.m.
6. Occupancy forecast - management be in to help

GUESTS

1. Tell guest when check-out time is busy
2. Pay-up-to-date, ask guests to pay in the evening

COMPUTER

1. Each shift a Computer back up
2. Improve Computer memory
3. expensive

BREAKFAST SYSTEM

1. Room charge include breakfast
2. Restaurant linked to Computer
All the suggestions were then ranked again.

**SUMMARY**

**STAFF SHORTAGE**

Switchboard staff trained to do reception duties and some cashier duties.

Switchboard answer all front desk calls until 8.30 a.m.

Tell guest when check-out time is busy

Pay-up-to-date. Ask guest to pay in the evening.

**Computer**

Transfer keys
At check out, being able to ask computer today's transactions.
Improve computer memory (expensive)

**Breakfast system**

Restaurant linked to computer

The Solution you will find on the next Pages.
# Action Plan for the Switchboard

<table>
<thead>
<tr>
<th>Items to Be Trained:</th>
<th>Results:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Day</strong></td>
<td></td>
</tr>
<tr>
<td>Posting Charges</td>
<td>To be able to post simple dep-charges</td>
</tr>
<tr>
<td></td>
<td>To be able to understand the department-codes</td>
</tr>
<tr>
<td></td>
<td>To be able to correct mistakes.</td>
</tr>
<tr>
<td></td>
<td>The training will be given by Lynette and Anne-Marie.</td>
</tr>
</tbody>
</table>

| **2nd Day**          |          |
| How to Trace Queries | To be able to understand accounts billings procedure i.e. where to find the Tiger tape and department bills etc. |
|                      | The training will be given by Lynette and Anne-Marie. |

The S/Board members will be split in two groups and each session will take 2 days (2 hours per day).
# MONTHLY TRAINING PLAN

**NN**: S/BOARD  
**DEPARTMENT**: SWITCHBOARD  
**MONTH**: JULY  
**HEAD OF DEPARTMENT (TRAINER)**: 
**PAGE** of **OF** 

<table>
<thead>
<tr>
<th>LIST OF TRAINING NEEDS</th>
<th>NAMES OF DEPARTMENTAL STAFF</th>
<th>COMMENTS ON TRAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1st Day</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| HOW TO POST CHARGES    |                             | THE TRAINING WILL BE GIVEN BY LYNNE T.  
|                        |                             | ANNE MARIE            |
| HOW TO CORRECT MISTAKES|                             | THE SESSION WILL BE SPLIT INTO TWO GROUPS (2-3)  
|                        |                             | EACH SESSION WILL TAKE 2 DAYS  
|                        |                             | (2 HOURS PER DAY)     |
| **2nd Day**            |                             |                      |
| HOW TO TRACE QUERIES   |                             |                      |

**INSERT DATES WHEN TRAINING COMPLETED**:

**30/7/81**

**HECKED BY**:  
**DATE**:  
**OSITION**:  
**OMMENTS**:  

**DISTRIBUTION**:  
WHITE COPY RETAINED BY HEAD OF DEPT.
PINK COPY TO INKEEPER  
BLUE COPY FORWARD TO CHIC  
HEAD OFFICE TRAINING DEPARTMENT  
126 KING HENRY'S ROAD, SWISS COTTAGE,
SWITCHBOARD ANSWER ALL FRONT DESK CALLS UNTIL 8.30

During the peak check out times the Cashier has many interruptions. These may be from other members of staff or from guests. They may be by phone or in person.

To minimise these interruptions, we propose that the Switchboard should take all of Reception calls and deal with them accordingly. This would be until about 8.30 a.m. or until such a time as the Cashiers feel that they could cope adequately with the situation. The calls from staff can usually be dealt with, with relative ease.

The calls from guests are generally to do with checking out. They either wish to state that they want their bill ready when they arrive at the Front Desk or, they require the Porter to collect their baggage.

For the second, we feel the present system is inadequate in that the Form (illustrated) is placed out of the way of the telephonists. The system can be improved if the Form was replaced onto the small flap door between Reception and the Switchboard. It would then be accessible for all concerned.
I have analysed two points:

1. HOW TO LET GUEST KNOW WHEN CHECKOUT DESK IS BUSY

   Periodically Reception becomes deluged with customers trying to pay their bills, usually early morning and lunchtime and we have no system with which to deal with this.

   Perhaps if we distributed a small leaflet (as such!) around the guest's room i.e. beside the bed or on the T.V., this would attract their attention and could help our checkout system.

2. PAY-UP-TO-DATE - ASK GUEST TO PAY IN THE EVENING

   Every day a one hundred pound list is made, in which a letter and copy of their bill is endorsed.

   Perhaps if we had a Holiday Inn stamp made telling the guest about peak hours, this might help.

Room Number: ____________________
Guest Name: ____________________
Off peak hours are during the evening.

Have a pleasant stay. ☺
As we know, we are now one of the leading business hotels using the advanced technology which they called the computer. I'm sure everyone agrees with me that the computer is much better than the NCR 42. The amount of paper works that we have to do is lessen. The folios are more presentable. Considering these advantages, we still have to improve few things to achieve our standard of checking out guests.

There are three main problems that causes the delay of checking out guests:

1. Breakfast Charges
   Solutions suggested:
   a. Department cashiers must be sure to charge the right room number and quick enough to hand in the bills in the reception for posting.
   b. Present date charges can be easily shown on the screen to check if the breakfast charge has been posted.
   c. Department charges linked to the computer.

2. Transfer keys which are the M9 means minus and M8 means plus are not set up automatically like the transfer debit and transfer credit in the NCR 42.

3. Program 30.30 at present it doesn't shows how the guest is paying the bill aside from the accounts to the company. By asking the guest again they are getting annoyed.

   Last but not the least, by improving the memory of the computer, checking out guests would be much more quicker and easier.
SINGLE GUEST CHECKOUT

ENTER ROOM NUMBER : 307

JACKSON MR R  67.33

CORRECT GUEST? (N/CR)

ENTER PAYMENT METHOD :
INTER-OFFICE MEMORANDUM

TO Accounting

FROM QUALITY CIRCLE

DATE 23RD JUNE, 1981

TO avoid any delays of checking out guests, we would appreciate your co-operation of not printing any lists before 10.00 a.m.

Thank you.
MANAGEMENT'S RESPONSE TO FRONT OFFICE QUALITY CIRCLE

APPENDIX 3 cont.

JAPANESE CIRCLE

STEP 6 REVIEW PROGRESS 9TH JULY, 1981

MR. E. VAN EMPEL
MR. D. DANIELS
JAPANESE CIRCLE

PROBLEM: GUESTS WERE DISSATISFIED WITH CHECKOUT SYSTEM

JAPANESE CIRCLE SOLUTION

1. Switchboard cross-trained to do Reception/Cashier duties

2. Switchboard to answer Reception calls up to 8.30 a.m.

3. Main Printer not to be used by other departments before 10.00 a.m.

4. Put List for Porter on flap door for dual Switchboard/Reception access.

5. Stamp to be put on £100 Reminder Letter sent to guests by F.O.M.

6. Sign on note in rooms, repeak checkout times.

REVIEW AND PROGRESS

Very good idea

Training in operation

Japanese Circle to read Matrix study which has already been done (copy to all) and use Matrix system to instigate solution.

It is possible, but must in no way interfere with Switchboard operation.

Memo already issued by Circle.

Mr. van Empel will issue follow-up memo on 13th July to ensure it happens.

Go ahead Japanese Circle to instigate; with Porters' co-operation.

Here we suggest change of layout of letter and add in an extra paragraph stating off-peak hours etc.

M. Messenger to instigate by 16th July, 1981.

Yes we will do this; possibly a sticker on Room Directory, wording and exact layout to be decided by 1.8.81.