### ИКОНОМИКА И УПРАВЛЕНИЕ, ГОД. VI, №2

**АНА ПОПОВИЧ** СТОПАНСКИ ФАКУЛТЕТ, НИШ, СЪРБИЯ

**МАРИНА СТОЯНОВИЧ** СТОПАНСКИ ФАКУЛТЕТ, НИШ, СЪРБИЯ

# ОСИГУРЯВАНЕ КАЧЕСТВОТО НА ТУРИСТИЧЕСКИЯ ПРОДУКТ ENSURING QUALITY OF TOURIST PRODUCT

ANA POPOVIĆ, FACULTY OF ECONOMICS, NIŠ, SERBIA,

### MARINA STANOJEVIĆ

FACULTY OF ECONOMICS, NIŠ, SERBIA,

Abstract: Tourist product is specific for its complexity – its constitutive elements derive from extremely fragmented supply embodied in numerous links of value chain. Tourists identify that product with suppliers of all elements of the product, but also with the destination itself, as the surrounding in which the consumption takes place. Having in mind all-inclusiveness of tourist product and numerous subjects involved in its creation, it becomes clear that quality management in tourism is very complex. Quality of tourist product, usually defined as the perception of the level to which the tourist's expectations are fulfilled, shouldn't represent the luxury or exclusiveness, but should be available to all the tourists. This requirement is specifically important nowadays when economic crisis affects tourism and all connected sectors, tourists' discretional income is decreasing and financial determinants are becoming dominant in deciding about travelling, creating 'fertile soil' for possible abuse and violation of tourists' consumer rights.

Tourists' satisfaction that influences future tourist demand depends on fulfilment of their expectations from the whole product, so vertical integration and collaboration of all stakeholders in value chain is necessary. Ensuring satisfaction of the employees in tourism is of crucial importance because it directly influences satisfaction of consumers. Considering that tourism sector is labour intensive, employees have irreplaceable role in introducing new management concepts, such as integrated quality management, in tourism sector. It is of the crucial significance for managers to recognize the fact that employees' performance has strong impact on achieving high-level customer satisfaction. The aim of this paper is to point out the necessity of an integrated approach to tourist product quality assurance, with the focus on ensuring employees' satisfaction.

**Key words:** tourist product, quality, integrated quality management, customer satisfaction, employees' satisfaction

### INTRODUCTION

Tourism and travels represent the significant aspect of the quality of life of EU citizens, which is proven by the fact that, on average, they travel two times a year spending 20, 5 nights on those visits [The Commission of the European Communities, 2001]. Their satisfaction, which influences future demand, depends on fulfilment of expectations from the whole product. In most destinations the final product that the tourists experience and memorize is a

complex fusion of their exposure to many different phenomena in the destination – the local tourism industry, the resident population and the environment in the destination. This relationship is interlinked because not only do these aspects influence the tourist experience, but the tourists in turn influence these aspects. [Valles, 2001]

The tourist product is therefore defined as the combined result of attractions, facilities and services at the destination level. It is specific for its complexity - its constitutional elements derive from extremely fragmented offer embodied in various links of the value chain (touristic agencies, hotels, restaurants...). Therefore, tourists identify this product with the suppliers of the whole product, but also with the destination in which the consumption is taking place. According to that, tourist's experience depends on numerous little encounters with people who provide services (hoteliers, waiters, drivers...), local inhabitants and elements of local tourist offer (museums, theatres, theme parks...). [Hannan, 2004]

Consumers are increasingly choosing those offers in which they can be certain that the services, outdoor experiences and also the welcome from the local population are of a high quality and worth the price paid. At the same time, tourist destinations and the providers of tourist services are increasingly confronted with changes in guest expectations and requirements, and increasing competition at home and abroad.

With its exciting mix of different products that can be offered to the tourist, Europe had a stable market share. But, a rapid growth in alternative destinations worldwide means that Europe's tourism industry today faces the need to be ever more quality conscious to continue to attract tourists in a global marketplace. Marketing researches also show that the European tourist is maturing, and demanding higher levels of quality when on holiday - they are seeking good value for their money. Quality is rapidly becoming the decisive competitive instrument in tourism... - for a viable business, for an attractive destination and for the sustainability of the tourism industry [Valles. Europe 20011 elsewhere. A lack of attention to quality issues could have serious consequences (loss of image, falling income etc.) they must be taken as the essential for the tourist sector.

Defined as the tourist's perception of the extent to which his expectations of the product are met by his experience, quality must not be exclusive, but capable of being

experienced by all tourists. Also it cannot be identified with luxury, since it must be present in every kind of tourist product or service. [Valles, 2001]

Achieving tourist satisfaction (value for money) is the final objective of introducing quality systems in the tourist sector and increased profitability tourism to enterprises. For achieving this aim the satisfaction of all stakeholders is essential: the service personnel, service shareholders, staff organizations, the dealing with environment and social problems. [European Communities, 2003]

## INTEGRATED QUALITY MANAGEMENT IN TOURISM

The tourists' satisfaction level from staying at a destination depends not only on their experience of specific tourist services, but also on more intangible factors hospitality, safety and security, cleanliness etc. The success of a destination is a function of manv interdependent components, so an integrated approach to managing the quality of tourist destinations is necessary. The concept of the Integrated Quality Management (IQM) of destinations was developed to fulfil this demand. It combines four kev elements: satisfaction, local people's quality of life, environmental quality and local tourism industry satisfaction. ſ European Communities, 20031

Any imbalance in one of these four tourism quality aspects can have a significant effect on the overall quality of the destination and tourism product.

A tourist destination is usually explained as a separately identified area promoted to tourists as a place to visit within which the tourism product is coordinated by one or more identifiable authorities or organizations. The diagram below illustrates relationships of those various stakeholders in the destination, and how the various quality aspects influence the destination. The large circle represents the destination itself. [European Communities, 20031

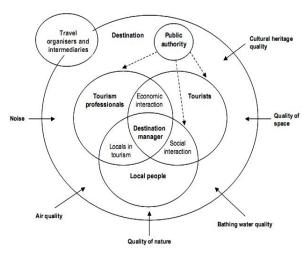


Figure 1. Stakeholders' interaction in various destination quality aspects (A Manual for Evaluating the Quality Performance of Tourist Destination and Services, p.13)

First, on the outside of the destination, the flows that can affect the quality of tourism are depicted (here: noise, bathing water quality and the quality of nature). Improving these aspects, common to all in the destination – employees and tourists, will contribute to improving the overall quality of life in the destination.

As illustrated, the destination manager is at the midpoint of three overlapping circles representing the human components of the Integrated Quality Management (IQM) concept for tourist destinations: tourists. local people and tourism industry professionals. facilitates He their interactions in order to achieve maximal benefits for all. Travel organizers and intermediaries are illustrated in a separate circle in as human components which may play a significant role in the tourist product marketing outside of the destination. Another human component – the public authority, also illustrated in a separate circle, is strongly interrelated with the three mentioned groups - tourism professionals, local people and destination manager.

All these facts prove a key role of human resources in quality creation in tourism. Therefore, in the IQM concept, human resources are included through one of four key components with the strongest impact

on other three - local tourism industry satisfaction. It involves evaluating the quality of the jobs and the careers of industry employees, as well as the well-being of local tourism enterprises.

## EMPLOYMENT IN TOURISM - BASIC CHARACTERISTICS

Tourism is one of the main sources of employment and of wealth in every country [European Communities, 2003.] - it employs 4% of the total labour force and generates 4% of the GDP in the EU. Including associated sectors, these indicators rise up to 12% of the employment and 11% of the GDP. [The Commission of the European Communities, 2007] In the G20 countries it employs 6% of the total labour force [UNWTO, 2009] but maybe the importance that tourism can have in underdeveloped and poor countries is even more significant as it can be the only chance for survival and growth [UNWTO, 2009].

Tourism represents a labour intensive industry, as а result of traditional importance and irreplaceable role of personal service in service delivery and partly of slower and late adoption of modern technology. One of the obvious features of tourism is employment instability caused by heterogeneous factors includina: seasonality of tourism demands, fluctuation of а demand due to various and uncontrollable social and demographic factors. poor image of the industry. opportunities for employment in other career sectors. lack of promotion opportunity etc. [Kusluvan, 2003] Therefore, employment instability, resulting in high level of tourism staff turnover may be suitable for workers looking for parttime/seasonal employment. students. school leavers or women (usually with household responsibilities).

Otherwise, it is undesirable employers because of numerous (direct and indirect) negative consequences - poor productivity, lower level of service quality, high costs of replacements and training for employees. decreased level new motivation. [Lashley, 2001] Results of researches conducted in this area show that most common reasons given for turnover are: pay treatment by supervisors. work hours and job pressure. It would be appropriate to suggest that employees, especially so called front-line employees, experiencing were stress (sometimes escalating in burnout) of various forms and levels. Also, large proportion of jobs within tourism sector demand semi-skilled or unskilled personnel, formal education and qualifications are usually not required, which implies that workers may have other educational background.

It is also argued that tourism employs, especially at the operative and 'lowest level' iobs, members of socially marginalized groups. In many countries tourism is dominated by women employees, followed by disparities based on gender. Namely, in a great extent, women's jobs in tourism are

<sup>1</sup> For instance, a mature married female employee may prefer part-time employment in the morning shift because of children, a young student may work only during the summer or in the evening after school hours, whereas a retired individual may want to keep a part-time job for some extra income or to meet social interaction needs.

concentrated in seasonal, part-time, low paid and low skilled operative jobs.<sup>2</sup>

Considering all the mentioned, jobs in tourism are mostly not considered as high status and respect worth jobs, on the contrary - tourism employee is often perceived as uneducated, unmotivated, unskilled and unproductive. [Kusluvan. 20031 Therefore, working in tourism industry builds a picture of guite poor employment conditions. Low status is usually followed by low wage, long irregular working hours and work routine, heavy workloads, low job securities, inappropriate human resources management etc.

### THE ROLE OF TOURISM EMPLOYEES BEHAVIOUR IN QUALITY ENSURING

Tourism, being people-oriented and people-dependent industry, cannot survive if its employees (or local people) have a negative attitude toward tourists. So, many organizations are trying to achieve competitive advantage by relying upon their employees to satisfy and delight customers. Considering all features of workforce engaged in tourism industry, achieving high level service quality is very complex. Recently, employee empowerment and participation have become important instruments of improving service quality, employees' satisfaction and also customers' satisfaction.

Indeed, employee's attitudes seem to play a significant role in service-related behaviour. Job satisfaction is considered to be one of the most studied employee attitudes in the area of organizational research because of its influence on customers' perceptions of quality and their satisfaction. Job satisfaction can be defined as an affecting state resulting from one's evaluation of his/her job, while turnover closely connected intentions are employees' state of mind to leave an organization.[Alexandrov, Babakus, Yavas,

<sup>&</sup>lt;sup>2</sup> The share of female employment in the tourist accommodation sector is high at 60%, while in the hotels and restaurants sector as a whole, female employment stands at 56%. [Eurostat, 2008]

2007] In general, the satisfaction of employees in tourism is lower than in other industries and the global economic crises is causing its additional decrease. Therefore, the crucial role of management is to recognize significance of employee's job satisfaction and create supportive environment for consistently high-quality interactions between customers and especially frontline employees.

The special importance of frontline employees comes from the fact that in the situations of direct contact with costumers. employees have the key role in shaping customers' perceptions of service quality and, accordingly, their satisfaction. Customers' expectations may vary as they depend partly on the previous experience and the role of identifying and satisfying customer's expectations belongs to frontline employees. These employees are the means by which an organization delivers its services to customers.

Since labour costs represent important element of total operating costs in tourism and all services. manv organizations have been usina manipulation of labour costs as a source of cost reduction. This cost reduction was primarily directed toward front-line employees, so they have been underpaid, poorly trained, unmotivated. Their high job dissatisfaction was leading to high labour turnover. It became clear that it is necessary to explore effective ways to manage and encourage front-line staff through training and rewarding by clearly tying rewards to customer satisfaction.

Retention of satisfied and committed employees is important to success in customer retention. Employee turnover represents a substantial cost, both in tangible as well as in intangible terms seriously hinders efficient and effective customer services and undermining competitiveness in tourism industry. Yavas, [Alexandrov. Babakus. 20071 Frontline staff with high-turnover intentions often provides poor level of service quality and can seriously undermine customer Main reasons for front-line retention. employees to leave the industry are connected to job characteristics contributing to stress: anti-social work hours, insufficient management pay. poor practice. requirement to deal with the public on a continuous day-to-day basis.[ Law, Pearce, Woods, 1995]

Employees' behaviour while providing certain tourist service, can be both a source of satisfaction and dissatisfaction, also depending whether the customer has a special need or preference, or where the customer has made a mistake. Employee responsiveness, flexibility and confidence that they can match whatever is needed by the customer are important sources of a positive customer response. Similarly, employee intransigence, inflexibility, and perceived incompetence are all potential sources of customer dissatisfaction.

For quality assurance ensuring and maintaining a loyal customer base is a key. If we assume that there is connection between employee's job satisfaction and performance and customer satisfaction, following model could be presented: internal-service quality drives employee satisfaction that enables the delivery of high-value service, resulting in customer satisfaction, leading to customer loyalty that, in turn, produces profit and growth [Slatten, 2009], as illustrated in the figure below.

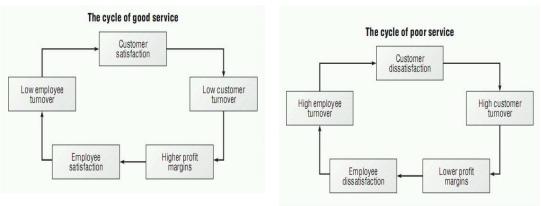


Figure 2: Customer satisfaction and employee satisfaction Source: Lashley, 2008, p. 225

It is necessary for managers and employees to understand the significance of the staff-customer interaction. Greater understanding of the factors that impact service-worker iob satisfaction (work environment. cultural background, demographic features. may etc.) beneficial to organizations striving improve quality of tourist product and lead increased customer satisfaction. improved customer retention, positive word of mouth, reduced staff turnover, decreased operating costs, enlarged market share, increased profitability. and improved financial performance. [Ladhari, 2009]

Considering necessity of relationships and interactions with others, there has to be a requirement for managers to focus on improving the social climate. An important ingredient in these strategies of improvement is the fact that employees need to be empowered to meet the customer need as it arises. Also, very important for managers is to consider how their practices influence the service quality their employees provide to customers.

#### CONCLUSION

Today, tourism industry is regarded as one of the world's major industries and also sources of employment. For many communities and countries throughout the world tourism is the most valuable industry.

One of the main conclusions is that tourism is an economic activity capable of generating a great source of employment. A fundamental question is that the quality of the tourist sector depends highly on the contribution of the human resources who define and implement the service, being directly in contact with the final customer. This final customer will be satisfied or dissatisfied according to the treatment received from the staff with which he had contact.

However, a common characteristic of tourism industry in general is the bad image of tourist employment, since it is considered to consist of temporary jobs which are taken by people who have no other alternative. In this respect, the poor quality in many jobs has a negative influence, where workers suffer from poor salary conditions and worse stress levels than in other economic sectors.

Managers have great potential influence effectively employees' behaviours and responses in ways that improve quality of tourism product. Front-line employees in tourism attractions are vital elements in the quest for service quality and tourist satisfaction. Of the crucial significance is the awareness that the front-line employees provide long lasting quality impressions of the organization upon customers. The problem for management in

understanding customers' expectations are and then sharing them with employees on the front line who will deliver the service in a way that matches with customer expectations.

#### **REFERENCES:**

- 1. Alexandrov A., Babakus E., Yavas U., The Effects of Perceived Management Concern for Frontline Employees and Customers on Turnover, Journal of Service Research, Vol. 9, No. 4, 2007.
- 2. European Communities, Manual for Evaluating the Quality Performance of Tourist Destination and Services, Ramboll Water&Environment, 2003.
- Eurostat, EU Labour Force Survey, 2008.
- 4. Hannan K., Tourism and Development II: Marketing Destinations, Experiences and Crises, Progress in Development Studies, 2004.
- 5. Hussain M., Bylinski G., EU Remains a Major Player in International Travel in 2005, Statistics in Focus Economy and Finance, 2007.
- 6. Kandapully J., Mok C., Sparks B., Service quality management in hospitality, tourism and leisure, Howorth Hospitality Press, New York, 2001.
- 7. Kusluvan S., Managing employees' attitudes and behaviours in tourism and hospitality, Nova Science Publishers, New York, 2003.
- 8. Ladhari R., Service quality, emotional satisfaction, and behavioral intentions, Managing Service Quality, Vol. 19 No. 3, 2009.
- 9. Lashley C., Empowerment: HR strategies for service excellence, 2001.

Eurostat, EU Labour Force Survey, 2008.

- 10. Law J., Pearce P., Woods B., Stress and coping in tourist attraction employees, Tourism Management, Vol. 16, No. 4, 1995.
- 11. Slatten T., The effect of managerial practice on employee-perceived service quality, Managing Service Quality Vol. 19 No. 4, 2009, pp. 431-455
- 12. The Commission of the European Communities, The Economic and Social Committee and the Committee of the Regions Working together for the future of European tourism, Brussels, 2001.
- 13. The Commission of the European Communities, Agenda for a Sustainable and Competitive European Tourism, Brussels, 2007.
- 14. The Commission of the European Communities, A Renewed EU Tourism Policy: Towards a Stronger Partnership for European Tourism, Brussels, 2006.
- 15.Testa M., Mueller S., Demographic and cultural predictors of international service worker job satisfaction, Managing service quality, Vol.19 No.2, 2009.
- 16. Urhausen J., Tourism in Europe: Does Age Matter, Statistics in Focus, 2008.
- 17. UNWTO, Tourism and the G20 Summit -A Message from UNWTO, 2009
- 18. Valles D.M., Tourism and Employment Improving the Quality of Tourist Product, Brussels, 2001.