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THE STRATEGY OF QUALITY AND INTERACTION (SQI) FOR THE CONSOLIDATION OF CLIENT'S LIAISON IN HOSPITALITY AND TOURISM MANAGEMENT

The article considers the strategy of quality and interaction (SQI) aimed at improving the quality of services rendered in tourism and hospitality business. This strategy is developed on the basis of research of Canadian public service sector and author's own research of Russian social-cultural services and tourism. The SQI consists of 5 key principles of service client's focus, 7 structural elements of client's liaison consolidation and 6 steps in the implementation process. Successful application of the SQI depends on the new HR model, which is offered by the author.

Keywords: strategy of quality and interaction; HR model; tourism.

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СТРАТЕГІЯ ЯКОСТІ ТА ВЗАЄМОДІЇ У РОЗВИТКУ КОНТАКТІВ З КЛІЄНТАМИ У ГАЛУЗІ ТУРИЗМУ ТА ГОСТИННОСТІ

У статті представлено стратегію якості та взаємодії, спрямовану на підвищення якості послуг у галузі туризму та гостинності. При формуванні стратегії було використано результати дослідження канадського сектору суспільних послуг та авторські розробки у галузі соціально-культурних послуг і туризму. Стратегія містить 5 принципів роботи з клієнтами, 7 структурних елементів реалізації та 6 кроків процесу впровадження. Продемонстровано, що для успішного застосування даної стратегії необхідно використати нову модель управління персоналом, яку запропоновано автором.

Ключові слова: стратегія якості та взаємодії; модель управління персоналом; туризм.

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СТРАТЕГИЯ КАЧЕСТВА И ВЗАИМОДЕЙСТВИЯ В РАЗВИТИИ КОНТАКТОВ С КЛИЕНТАМИ В СФЕРЕ ТУРИЗМА И ГОСТЕПРИИМСТВА

В статье представлена стратегия качества и взаимодействия, нацеленная на повышение качества услуг в сфере туризма и гостеприимства. При формировании стратегии были использованы результаты исследований канадского сектора общественных услуг и авторские разработки в области социально-культурных услуг и туризма. Стратегия включает 5 принципов работы с клиентами, 7 структурных элементов реализации и 6 шагов процесса внедрения. Обосновано, что для успешного применения данной стратегии необходимо использовать и новую предлагаемую модель управления персоналом.

Ключевые слова: стратегия качества и взаимодействия; модель управления персоналом; туризм.

Introduction

The Russian tourism and hospitality area demonstrate their dual nature. On the one hand, this industry is rapidly growing (especially, outbound tourism and hospitality industry around the Summer Universiade in Kazan, 2013 or Winter Olympics in Sochi, 2014). On the other, the domestic tourism in Russian regions is still in crisis. Despite these facts, Russian touristic market has been successfully developing during the last decade. At the same time, Russia is facing the growing competition

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between touristic, hotel and restaurant companies. This competition is centered around the client: companies struggle hard to gain and hold new clients, as the effectiveness of touristic industry depends on their satisfaction. Price discounting remains the key method of attracting clients (Ignatiev, 2006; Kvartalynov, 1999). Although, some other factors start to play an important role in the matter of clients' choice, such as the degree of satisfaction, or relaxation (in case of vacation tours), prestige etc. Demand determines the supply, the rule says, and these words perfectly characterize the situation in Russia, where domestic touristic market suffers the deficit of credible clients. Thus, one of the possible solution of recovery could be the strategy of quality and interaction (SQI) that we offer to implement in Russian hospitality and tourism management.

This strategy is developed on the base of research of Canadian public service sector hold in the mid 1990s, that raised the problem of establishment of "mutual understanding between clients and government service providers" (Client Liaison, 1996). The authors of this Canadian strategy argue that it "can be used for identifying client needs and interests, assisting in the process of deciding on changes/adjustments to current products and services, and assessing performance in meeting client needs" (Client Liaison, 1996).

We understand differences between the Canadian public service sector and Russian tourism and hospitality area, but suppose that we can take and use the general principle of a new management strategy for touristic companies for the consolidation of client's liaisons. The empirical base for such findings are the materials of research that we conducted by reviewing Russian social and cultural services and tourism during the last 8 years, 2004–2012 (Polukhina, 2004).

Method

The research is based on the traditional set of methods from economics and social studies, among which system and structure analysis, clustering method, expert assessments, depth interview and statistic measurements. The research starts with the needs analysis to identify some typical problems of business administration of touristic companies related with clients' liaison. At this stage we use clustering method, system and structure analysis and expert assessments. At the final stage we assess the results of implementation of strategy of quality and interaction (SQI). In this case we use (principally) correlation and regression analysis and in depth interviews. The results of the research were summarized in the doctoral thesis "Development of management of tourism and hospitality area", defended in 2009 (in Russian). This article focuses only on reviewing SQI as a core element of research.

Findings

The SQI, if presented as a matrix or a framework, consists of 5 key principles of service client's focus, 7 structural elements of client's liaison consolidation and 6 steps of implementation process.

The first principle says: "The client is the primary focus when redesigning the work processes". This means that the implementation of new elements during the restructuring of management in a touristic organization will be determined by evaluation of customer service quality. Quality is determined here as the extent to which services satisfy the requirements of internal and external customers.

The second principle says: "There is a strong correlation between focus and staff participation". Employees of a touristic company will be incorporated as one team, which must carry positive corporate culture. Every staff member participates and finds his/her place in the processes of creating quality touristic services to meet the most sophisticated client's requirements.

The third principle declares: "Different clients must be clearly identified and their (potentially conflicting) needs must be strategically balanced". A touristic company or a hotel deal with different customers of different revenue, needs, interests and age. The current system of touristic and hospitality services implies the availability of different service programs focused on specific types of customers. The organizations (and their staff) must be familiar with this kind of training, and be flexible to apply the variety of approaches for all clients (be balanced).

The fourth principle: "There is an ongoing requirement for systematic measurement and performance review". Every touristic or hotel company must conduct the research of customer needs regularly, especially before the implementation of a new touristic, or hospitality product (or technology). However, many small and medium companies do not use this principle just because they cannot afford marketing research due to the lack of personnel, finance or experience. In this case, one of the possible solutions might be the linkage with education institutions like universities or colleges of tourism and hospitality management: students during their internship are generally eager to get involved in marketing research, which, in turn, can be done quickly, and at lower cost (if not for free). The Volga Tech University in Yoshkar-Ola, Russia, has a very positive experience of such kind of cooperation with local tourism business.

The fifth principle: "Be prepared to act on the information collected". The initial Canadian publication makes a special focus on this (Client Liaison, 1996). Managers and staff of touristic and hospitality companies must know all the principles equally well, both in theory and in practice. There will be no use of data collected in marketing, or other research without clear perspective of further application. A special training program for staff on how to apply information in real business is also a necessity (Morozov, 2006).

The second part of SQI reviews 7 structural elements of client's liaison consolidation. All these elements are linked and designed to form a logical cycle. Those 7 structural elements can be used by organizations considering adaptation of a more client-focused perspective as a way of maintaining and improving quality service, reviewing work processes, and making changes to become more relevant, cost-effective, and dynamic. Briefly, these 7 elements are as follows:

1. *Determine what business you are in.* The start of a new business in tourism and hospitality will begin from the determination of aim, mission, tasks of activity and corporate values.

2. *Determine who your clients are.* It's necessary to conduct market research and determine the market position and customer segment of your company.

3. *Determine the role(s) your clients play.* It is very important: the staff of touristic or hospitality companies must practice the skills of practical psychology and psychodiagnostics, and have the experience of dealing with different types of clients.

4. *Know the needs and expectations of these clients.* Touristic and hospitality companies have to conduct the sociological research of their clients' needs by special methods like interviewing, focus-group questionnaires, polls and etc. In this case, staff must learn how to use, at least, the simplest method, or invite experts, attract students). We argue that student involvement in marketing research and studies of clients' needs is correct and beneficial both for company and students. If the research is being done under the supervision of an academic adviser, it will result in professionally made intellectual product, much less expensive than ordered from consulting companies.

5. *Determine if more study is needed.* More detailed data analysis may be necessary before passing on to the next stage. Again, we offer to conduct this research and flow analysis in cooperation with universities and colleges, within graduate program or internship.

6. *Decide how to respond to meet these needs and expectations.* The next step after gaining the research data will be working out a set of measures to increase service quality depending on clients' expectations.

7. *Monitor your performance in meeting these needs and expectations.* The implementation of measures plan needs constant control and ongoing analysis, in order to identify possible problems at the very early stage.

The third part of SQI contains 6 steps of implementation process. Depending on the current corporate culture within an organization, implementing new mechanisms and procedures, or changing them, can be difficult.

Step 1: "Create and establish a working group". We think that a good working group must include a representative of staff from different levels of organization: horizontal and vertical. The working group will identify customer needs and coordinate the processes of clients' liaison.

Step 2: "Apply the client's liaisons framework" (Key Principles, 1995). It means the 7 elements of client's liaison consolidation, described above.

Step 3: "Initiate a pilot project based on the conclusions reached through the client liaison framework". One of working groups can initiate a pilot project to establish the client's liaison consolidation. Generally, one touristic product (or hospitality service) is chosen for this experiment to try the strategy in detail. Every result (positive or negative) will be scored, analyzed and used for correcting the policy.

Step 4: "Build an organization-wide strategy". Data on a pilot project in touristic or hospitality companies can be used for working out the organization-wide strategy (SQI). This strategy must include the feedback from customers. Referring feedback results, a company can forecast future developments in personnel management, professional training, new services or products.

Step 5: "Integrate client liaison into the organization's work processes" (Thematic Review, 1995). It's necessary to change the HR organization policy, especially the system of motivation, the process of evaluation and organizational standards.

Step 6: "Create a forum for continued discussion on issues and questions regarding clients". For touristic or hospitality company it is necessary to create an open, transparent communication system, implying wide discussion and ideas exchange. Every worker can offer a new technology of clients' service or a proposal how to satisfy customers' needs. In case of Russia, the problem with such communications is

that the majority of touristic and hospitality companies are still run by autocratic management style. It occurred historically, and it is very difficult to change.

We argue that successful implementation of SQI depends on the new HR model, which we offer as well (Magura, 2002). There are 4 main elements of this model: recruitment, organization work with staff, 3-level motivation system, and organization culture. The new human resources model is specifically oriented on the social-cultural services and tourism area, and includes such elements as low level of salary (for most of the jobs involved), non-specific education (for most staff) on one side; on another side it suggests attractive and innovative business, international dimension and traveling (Schein, 1990). Moreover, a significant part of staff has the ethical problem, which is characteristic for Russian hospitality and tourism service ("service – serve – wait – lackey – servant" attitude), that is also difficult to overcome in a short time. Conditions for successful implementation of the new HR model are: systematization and structuring, industry-specific accounting, international experience adaptation, and activities to bring a human dimension (antropologization in Russian discourse), when the HR system of touristic and hospitality companies will be built on the Y.Ouchi "Z-theory" (Ouchi, 1981; Woods, 1999).

Conclusion

The Hospitality and Tourism industry is growing rapidly, and is starting to play a very important role in the contemporary economy, but the 21st century client puts the quality of a service on the first place. On another hand, the company, which offers high quality service still often, faces the problem of clients deficit. This is especially the case for emerging markets, and the problem of hospitality and tourism services quality and consolidation of client's liaison is very serious for Russian economy.

Thus, the increase of management effectiveness in hospitality and tourism requires the rise of the service quality and client's liaison. We offer to implement the strategy of quality and interaction and new HR model in the management of Russian social-cultural services and tourism business. The strategy of quality and interaction, especially applied to small and medium companies, will help to determine customer needs, work out new service approaches, increase service quality and consolidate clients' liaison. All of this will raise the economical effectiveness of tourism and hospitality at the domestic Russian market.

We believe that the success of this new strategy can be obtained when all its elements are implemented on the integral basis. The key principles of dealing with clients allow focusing on their needs, the 7 structural elements of work organization are logically interdependent but make up a unity – the concept of the company activity in tourism and hospitality business. Step-by-step strategy implementation will provide gradual transfer to new standards of customer service. Reorganization of HR management in the long run will result in the increase of employee's motivation and job efficiency.

Tourism and hospitality business that will implement this strategy as a whole thus bearing certain expenses is sure to take the leading positions under competition.

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