

# Formation and improvement of the hotel business quality management system in the countries with post-socialist economy

## Formación y mejora del sistema de gestión de calidad del negocio hotelero en países con economía post-socialista

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#### ABSTRACT:

The article explores the quality management system in the hotel business, which now is a complex set of facilities, a standard for analyzing the level of competitiveness of services and management mechanisms, assessing the state of hotel development, ways of managing human resources and promoting services to the market environment, as well as assessing the quality of services hotels can provide to their customers through a system of their relationships with hotel staff. That is why the international practice of functioning and trends in the development of hotel service management systems is analyzed in this article; methodical and practical proposals are defined proceeding from the best foreign management practice in the system of hotel business in the countries with post-socialist economy, including the Republic of Kazakhstan. Besides, the study developed model recommendations on how to assess the index of hotel business properties as a means of calculating the minimum level of economic security with the participation of foreign partners in the activities of national hotel enterprises.

**Keywords:** Quality management system, hotel

#### RESUMEN:

El artículo explora el sistema de gestión de calidad en el negocio hotelero, que ahora es un complejo conjunto de instalaciones, un estándar para analizar el nivel de competitividad de los servicios y mecanismos de gestión, evaluar el estado del desarrollo hotelero, formas de gestión de recursos humanos y promoción de servicios al entorno del mercado, así como a evaluar la calidad de los servicios que los hoteles pueden ofrecer a sus clientes a través de un sistema de relaciones con el personal del hotel. Es por eso que en este artículo se analiza la práctica internacional de funcionamiento y las tendencias en el desarrollo de sistemas de gestión de servicios hoteleros; Las propuestas metodológicas y prácticas se definen a partir de la mejor práctica de gestión extranjera en el sistema de negocios hoteleros en los países con economía postsocialista, incluida la República de Kazajstán. Además, el estudio desarrolló recomendaciones modelo sobre cómo evaluar el índice de propiedades comerciales de hoteles como un medio para calcular el nivel mínimo de seguridad económica con la participación de socios extranjeros en las actividades de las empresas hoteleras nacionales.

business in the countries with post-socialist economy, quality of services in the hotel industry, hospitality industry, leadership manager's style, market for hotel services.

**Palabras clave:** sistema de gestión de la calidad, negocios hoteleros en los países con economía postsocialista, calidad de los servicios en la industria hotelera, industria hotelera, estilo del gerente de liderazgo, mercado de servicios hoteleros.

## 1. Introduction

The hotel business in the world economy is regarded as a very specific type of entrepreneurial activity, which is the basis for the growth of national tourism forming a certain country brand in the eyes of the international community, carrying a huge potential for a sustainable income to the state budget and contributing to the expansion of foreign economic activity of the state through a system of integration links and specifics of building the hotel management systems.

At the same time, the problem of quality management in the hotel business has been relevant at all stages of economy operation, but it acquires special significance during the transition of the post-socialist industrial economy to sustainable development. At present, increasing the level of products (services) quality of the hotel business is the key strategic task of any organization, company and firm. The main reason should be an increasing competition in the domestic and world markets, leading to the need for more and more active application and development of quality management systems based on international standards.

The concept of service quality in the hotel business is inextricably linked with a branch of the management system such as managing the quality of products (services), which is understood as the activity carried out when creating and using or consuming products in order to establish, maintain and support the required level of its quality.

The hotel industry has changed beyond recognition over the past few decades in the countries with post-socialist economy. There are great opportunities, both for success and failures, in this field of activity today, as never before. Today's guests expect high service standards from the hotel. This is a new challenge for executives of the hotel enterprises, whose main focus until recently has been on operational management of production. Development of new approaches to the development and maintenance of a competitive hotel infrastructure becomes an urgent need, since it is the primary responsibility for creating an efficient business.

The hotel business in the countries with post-socialist economy is one of the most promising and rapidly developing types of services that generates millions in revenues. Hotels are businesses with their own products, markets, technologies, methods of arranging multiple processes and management systems, the study of which allows to reveal the prospects for the growth of the overall impact on society and on the state from their operation.

Unfortunately, the specificity of the hotel business as an element of the service sector and as a special type of entrepreneurial activity has been poorly studied in Kazakhstan, one of the representatives of the countries with post-socialist economy. Poor elaboration in the existing national scientific research of many specific problems of the hotel services market operation, accounting for the specifics of the concept formation and strategy development in the hotel industry in Kazakhstan as a means of seeking the conditions for improving its managerial efficiency at macro- and microlevels, both in the domestic and external markets, and growth of competitiveness determined the relevance of choosing the research topic, necessitated the study of theoretical and practical problems of the shaping development of hotel services in our country based on foreign practice; all this identified ways and methods of implementing the best international hotel business management practices in the economic activity of hotels in Kazakhstan as an important element of the promising development of the national services market.

The goal of research is to develop recommendations for improving the theoretical, methodological and practical aspects of management development and improving the competitiveness of hotel services on the basis of the study of theoretical and methodological provisions and practices of hotel enterprises, analyzing and summarizing scientific and practical foreign experience, identifying trends in the development of the given market and the specifics of their management.

The goal set in the paper required the solution of such problems as:

- study of the role and place of hotel services in the development of the global market of

services and management features in foreign countries;

- study of the current state of the international hospitality industry to identify indicators of international standards for assessing the quality of hotel service competitiveness management;
- study of the current state of the hotel business in Kazakhstan and identification of problems in its management system and in developing opportunities to increase the competitiveness of national hotel services in the future;
- determination of the ways to transfer the best foreign practices in managing hotel services in the activities of Kazakhstan's hotel enterprises;
- justification of strategic dimensions and factors to improve management efficiency and competitiveness of Kazakhstan's hotel services;
- development of recommendations and proposals on the ways to introduce the methods of improving the organization of management measures in Kazakhstan's hotel operation, given the specifics of its development;
- forming proposals on the ways to improve the efficiency of managing the national hotel industry and its particular enterprises based on the search for ways to speedily adapt the national hotel business to constant changes in the market environment;
- definition and justification of recommendations on opportunities for expansion and development of hotel services in Kazakhstan through the processes of internationalization and integration as ways to increase their competitiveness.

Hospitality business as an industry is of great importance for the national economy, and it is very important that the hospitality industry in the countries with post-socialist period of development, including in the Republic of Kazakhstan, develops in accordance with global standards under the conditions of mixed economy.

The global services market has doubled over this period, significantly exceeding the development pace of the industrial and agricultural production. The key advantage of the services market is its ability to create additional jobs and function through the prevalence of small and medium-sized enterprises, which more rapidly adapt to the constant changes in the demands in the consumer area. At the same time, the following trend is becoming more and more evident in the world economy: the countries that pay insufficient attention to the development of their national services market may lose the most promising part of their global competitiveness in the future.

About 17% of the gross national product is created in the services market in Kazakhstan, which makes up 2.5% of the state budget revenues.

The need to study the scientific and practical methodology of a particular type of services is determined by the following factors:

- development of each type of services as a market product reflects the general patterns of the services sector development in the global economy to a certain extent;
- general competitiveness of the country consists of the degree of competitiveness of each of its particular products;
- study of the ways to achieve state competitiveness by certain types of products strengthens the potential and depth of research implying that differentiated studies allow to more objectively study not only general but also specific processes and phenomena characteristic of the world and national definition of the commodity market;
- research on a single type of services allows to more accurately reason the search for the most promising ways to introduce the best foreign practices in the economic activity in the system of Kazakhstan enterprises and organizations operation;
- differentiated studies give a more objective result in the search for ways to improve the competitiveness of Kazakhstan with the aim of its faster ranking as one of the most competitive countries in the world;
- studies of a specific type of services allow to more accurately determine the difference between national and international standards of competitiveness, determine the search for opportunities for accelerated entry of Kazakhstan entrepreneurs into the global services market and creation of their reserves for improving national competitiveness.

Only few academic papers are devoted to the hotel business in Kazakhstan. These studies, devoted to the development of tourism in Kazakhstan, failed to cover the entire set of problems associated with improving the competitiveness and efficiency of arranging the management processes in the national hotel business as an element of developing the integrated national services sector and the way to expand Kazakhstan's foreign economic and integration activities based on studying the achievement of the world standards in the hotel business management quality in the country and mastering the best foreign management practices in this field.

The lack of scientific research in analyzing the specifics of the services market and the hotel business operation in Kazakhstan as its active element, along with the lack of comprehensive research in the search for ways to improve the management efficiency of the hotel industry in the Republic of Kazakhstan and improve its competitiveness in its particular enterprises by transferring the best practices in the global economy in this field of the economy of our country all served as a basis for choosing the research topic and determining its urgency and timeliness.

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## **2. Methods**

The key conceptual provisions and patterns contained in the papers of domestic and foreign economists on the problems of the services market and the hotel business operation as a specific type of entrepreneurial activity served as the scientific and methodological basis of the study. The study used the papers devoted to the practice of managing the hotel industry in foreign countries, as well as the authors' analysis of the current state of the results of economic activities of foreign and domestic hotels.

The methodological base of the study was the assessment of the hotel services market systems operation in Kazakhstan and abroad, based on the critical analysis of domestic and international practice of hotel management, use of foreign and national legislation and regulatory acts of the republic applied to the hotel business in Kazakhstan.

The technical base of the study was the use of systematic and expert analysis methods including questionnaires, comparisons, analogies, cause and effect relationships, economic logic, economic and mathematical modeling, principles of mathematical statistics, constructive assessments, decision-making theory, methods of historical, structural, functional analysis and other general scientific methods of cognition of economic processes and phenomena.

The main concept of the work is the proof of the need to transfer the best practices of hotel business arrangement and management achieved in foreign countries to the activities of Kazakhstan hotels as methods for developing a mechanism for managing them and determining the conditions for accelerated growth of the competitiveness of national hotel services as a market product in combination with the search for the own national ways of solving a range of problems. The development of conceptual and methodological bases, methods and directions of the search for ways to improve the efficiency of managing the hotel industry in Kazakhstan allowed to determine the need to accelerate the development of the services market in the country, the rapid growth of its competitiveness and ensuring the efficiency of the national economy on the basis of adapting the national market of hotel services to the best global management models of foreign hotel enterprises, links and networks, given their compliance with the international quality of services established in the global economy.

From this standpoint, the least developed in Kazakhstan are hotel services, which are most often regarded only as part of the international tourism business, the basis for its development in the country. However, the hotel industry is a separate area of activity in many regards. It accounts for more than 6% of the total volume of the national services market in Kazakhstan and 69% of the share of all services that create recreational services for residents and visitors of the country. Initially, these data seem insignificant, but the hotel business of the country has a very important political, social and psychological function: it creates the first impression of the country, shapes its image in the eyes of visitors. From this standpoint, the state of the hotel business in Kazakhstan has a huge impact on the development of foreign economic relations of the country, ways of its integration into the world economic space and attracting foreign investors to the national economy.

### 3. References Review

The hotel business takes an important place in the hospitality industry in the countries with post-socialist period of development, as its wide and diverse nature encompasses elements of the industry sectors related to it – for instance, food, recreation and entertainment, etc.; therefore, the hotel business demonstrates a broader and more diverse organizational structure than other sectors of the industry.

Any enterprise in the hotel business is known to be forced to guarantee certain standards and terms of service that would be initially understandable and attractive to them, if it seeks to attract and retain its customers. These standards are set by classification systems developed by the relevant government bodies or business associations.

However, there was no such advertisement in post-socialist countries, which would not say that the offered goods or services were of the highest quality. The service companies have never been so concerned about the quality of goods and services before. This is due to the fact that quality had the greatest impact on the viability of service enterprises. The history of many modern hospitality industry corporations proves that the quality allowed to achieve a leading position in that field.

The provided services must meet the requirements that assume additional convenience for consumers, attractiveness and prestige of services.

40 to 70% of the gross national product is currently created in the service sector around the world. The pace of accelerated development and the priority of the service sector in the geoeconomic space have become the most significant economic phenomenon in the second half of XXth and early XXIst centuries.

The issues of the services sector development and the specifics of the hotel business operation are largely reflected in the economic literature in the papers of foreign scientists.

A number of researchers in business and hospitality examined the effect of leadership styles on individual and organizational performance (Hinkin and Tracey 1994; Erkutlu 2008; Patiar and Mia 2008). The basis for this previous research is the argument that a manager's style of leadership influences on-the-job attitudes and behaviors of employees and subsequently affects organizational performance. Leaders who practice transformational leadership can not only inspire employees' motivations beyond personal interests, but also act as role models for employees (Bass 1985; Davidson 2003). Especially, some authors (Clark, Hartline and Jones 2009) found that the leadership styles that engender employees' commitments induced employees' behavioral improvements that positively affected delivered service quality (Parasuraman, Zeithaml and Berry 1985; Hartline D., Wooldridge and Jones 2003).

While previous hospitality studies attempted to estimate the importance and effects of styles of leadership, that research mainly focused on traditional leadership (transformational/charismatic leadership), which accounted for only a partial aspect of the totality of concepts of leadership. Consequently, the current study suggests developing improved styles of leadership befitting the specific characteristics of hospitality, a primary, global industry. Bass B.M. (1997) suggested three dimensions of leadership (i.e., transformational, transactional and laissez-faire). They have argued that transactional leadership is a prerequisite for effective transformational leadership, since transactional leadership facilitates the relationship between the leader and followers (Avolio 1999; Bass, Avolio and Jung and Berson 2003).

Thus, analyzing the conceptual elements consisting of the three dimensions of leadership in the context of international hotels represents a valuable investigation. In addition to assessing multileadership styles, Clark et al. (2009) suggested that service quality and satisfaction perceived by customers associated significantly with the attributes/services provided by hotel employees. The current research examines the most appropriate leadership styles that affect the distinctive aspects of employees' performances (e.g., satisfaction, extra effort and effectiveness).

Furthermore, Antonakis J., Avolio B. A., and Sivasubramaniam N. (2003) suggested a potential variance of magnitude in the relationship between styles of leadership and the outcomes of employee's activities in varying contexts. That is, the ownership structure of the hotels

influences leadership behaviors, which causes outcomes to vary according to individuals and organizations. For example, independent hotels or privately owned properties are more decentralized organizations often characterized by an autocratic style of leadership; whereas chain or joint-venture hotels include some degree of participative leadership (Zhenpeng, Wang, and Marnburg 2013). In addition, independent firms can be more adaptable to changing conditions, providing flexibility to respond more quickly to customers' needs and problems (Rueckert, Walker and Roering 1985); whereas, centralization of operations implies less flexibility for the employees. Interestingly, however, no empirical research examines the effect of different types of firms' ownerships on hotel leadership and outcomes of employees' activities.

Therefore, the current study of the hotel business seeks to contribute to the literature of leadership in service business from three aspects of purposes: (1) to propose three leadership concepts (i.e., transformational, transactional and non-leadership) and identify the constituent elements of each style of leadership; (2) to estimate the effects of these three styles of leadership on outcomes from employees' activities (i.e., extra effort, effectiveness, and satisfaction) in international tourists' hotels; (3) to assess the moderating effect of different types of ownership of hotel properties on the relationship between styles of leadership and outcomes of employees' activities.

## 4. Results

The main result of the research is the comprehensive consideration of the problems of operation and development of the hotel services market, development of new theoretical and methodological provisions, technical and practical recommendations aimed at improving the mechanism for managing the hotel business and improving its competitiveness.

The authors ran polls in hotels in Almaty, one of the largest cities in Central Asia, to determine the quality management efficiency in the hotel business.

Employees of the hotels in Almaty, Holiday Inn, Intercontinental, Ambassador, Kazjol, Kazakhstan, were polled to analyze the hotel management quality, find out how the hotel services were assessed and adjusted, and improve the quality of services offered by these hotels. The questionnaire consists of three parts:

Section I focuses on the definition of the general employee data:

- 1) age (Table 1);
- 2) gender;
- 3) social status;
- 4) level of education;
- 5) service department;
- 6) monthly income.

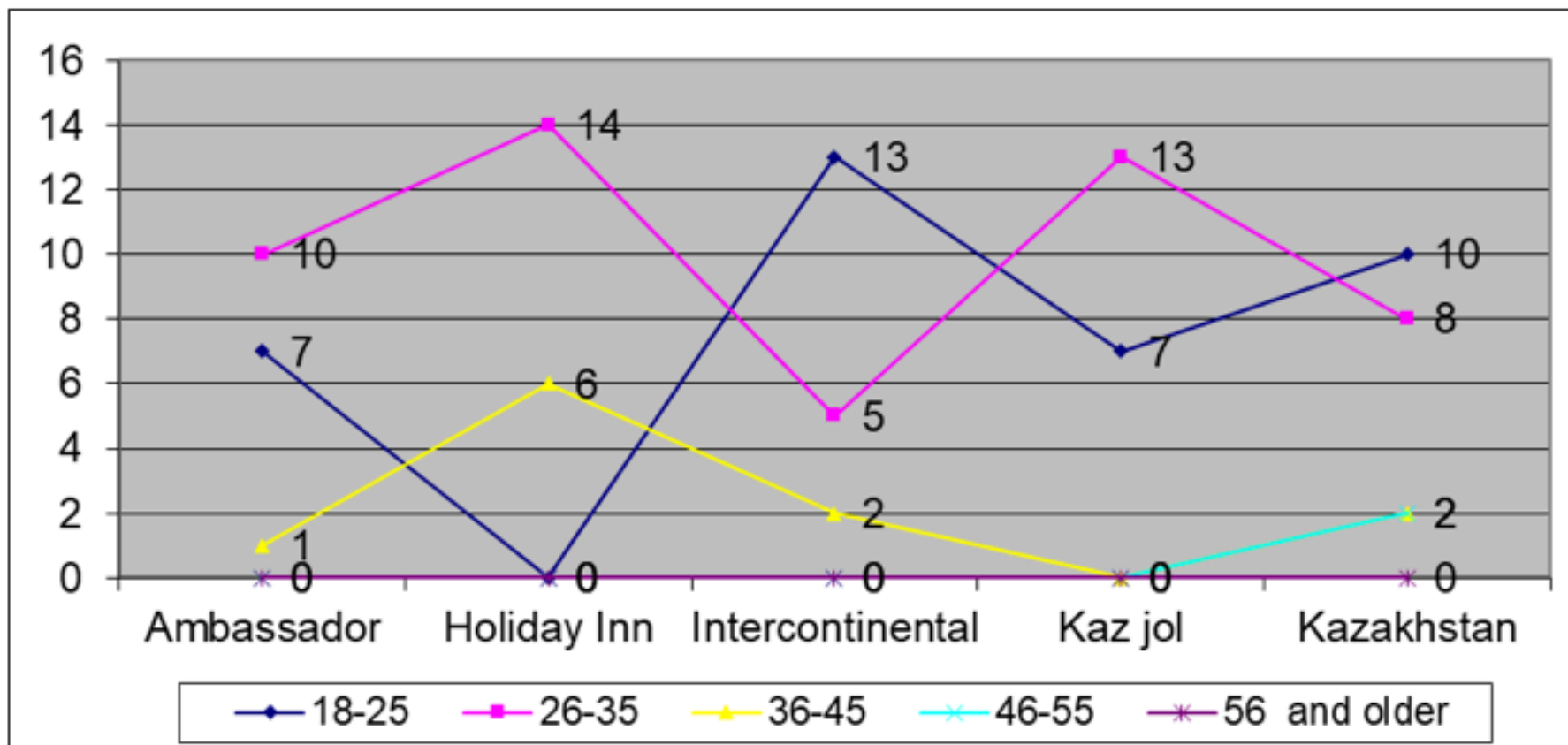
**Table 1**  
Age structure of Almaty hotel staff

	18-25	26-35	36-45	46-55	56and older
	people	people	people	people	people
Ambassador	7	10	1	-	-
Holiday Inn	-	14	6	-	-
Intercontinental	13	5	2	-	-
Kazjol	7	13	-	-	-
Kazakhstan	10	8	2	2	-

Analysis of the age structure of employees revealed that the majority of employees in Intercontinental and Kazakhstan hotels were aged 18 to 25, and employees in hotels Ambassador, Holiday Inn and Kazjolwere aged 26-35, i.e. many employees were young people in all five hotels (Figure 1).

Teamwork is arranged in any hotel in such a way that new employees replace old ones, sooner or later. Of course, young specialists cannot boast of many years of experience and therefore they do not have skills that allow them to perform their job properly from the very first day. Therefore, it is very important that managers can arrange sharing of experience between employees.

**Figure 1**  
Structural and age position of hotel staff



This is not just about skills but also about new knowledge and competences. Employees, regardless of their age, can gain experience attending advanced training courses, during self-education and self-development. If older employees are able to help newcomers to adapt faster and join the routine, the latter can in turn teach them how to use modern technology.

The hotel consists of many departments that provide services to a guest. Each hotel applies its own requirements to the staff and develops its own training system. The hotel management should be simple and flexible, but at the same time maintain competitiveness in the market. It is best if the hotel management system represents small departments consisting of qualified professionals.

**Table 2**  
Structure of employees in Almaty hotels by gender

	female	male
	%	%
Ambassador	55.6	44.4
Holiday Inn	60.0	40.0
Intercontinental	60.0	40.0
Kazjol	70.0	30.0





	Secondary	Vocational school	College	University	Master courses	Doctoral studies	Other
	%	%	%	%	%	%	%
Ambassador	-	5.6	33.3	38.9	5.6	11.7	5.6
Holiday Inn	-	-	5.0	70.0	10.0	-	15.0
Intercontinental	-	-	-	20.0	45.0	-	30.0
Kazjol	-	-	15.0	55.0	20.0	-	10.0
Kazakhstan	4.5	13.6	9.1	36.4	31.8	-	4.5

Comparative analysis of the level of education of hotel employees in Almaty reveals that graduates of universities prevail among all hotel employees. However, there are 33.3% of college graduates in the Ambassador hotel and 15.0% in Kazjol, while there are 45% of master's degree graduates in the Intercontinental hotel. In other words, it can be said that the level of availability of qualified employees in hotels is quite high (Table 4).

The increase in the level of the services market openness and the increasing competition among enterprises in the hotel industry force them to constantly improve the quality of services and their attractiveness to customers. The factor of changing consumption and consumer, as well as growth of their sophistication put forward challenges of improving quality to the fore.

Under these conditions, the quality management system is defined by a set of interrelated and interacting elements for the development of policies and goals, as well as the achievement of these goals for the executives and management of the organization in relation to quality (Table 5).

**Table 5**  
Results of a study conducted to determine the efficiency of the quality management system in Almaty hotels.

#	Questions to respondents	Ambassador		Holiday Inn		Intercontinental		Kazjol		Kazakhstan	
		average	Stand dev. +/-	average	Stand dev. +/-	average	Stand dev. +/-	average	Stand dev. +/-	average	Stand dev. +/-
1	I find it important to have a fairly high wage	1.44	.784	1.65	.933	1.35	.489	1.45	.759	1.95	.722
2	I find it important that the wage is distributed on a fairly basis, according to the position and job.	1.56	.856	1.60	.503	1.20	.410	1.35	.587	1.86	.710
3	I find it important to get paid regularly, every month	1.50	1.043	1.50	.513	1.25	.444	1.30	.470	1.59	.503

4	I find it important that the most successful employees get a bonus	1.61	.778	1.50	.513	1.25	.444	1.30	.470	1.86	.560
5	I find it important to have equipment in the workplace that corresponds to the duties performed	1.44	.511	1.40	.503	1.20	.410	1.55	.510	1.68	.477
6	I find design and ergonomics of my workplace important	1.89	.963	1.90	.641	1.75	.967	1.75	.716	2.55	1.057
7	I find it important to have a meal at the workplace	1.56	.511	1.70	.470	1.80	.951	1.55	.510	2.36	.953
8	I find respectful attitudes and mutual understanding among staff important	1.72	.461	1.65	.489	1.40	.754	1.40	.503	1.59	.503
9	I find it important to have a proper and fast communication and information exchange between the hotel departments	1.67	.686	1.50	.513	1.30	.470	1.35	.489	1.77	.528
10	Not only representatives of senior staff should be involved in making decisions concerning a particular job, but also personnel directly performing this job, whose recommendations should be listened to and taken into account	1.78	.943	1.55	.510	1.30	.470	1.35	.489	1.95	.375

11	I find it important when senior staff listens to requests and proposals, evaluates them and takes appropriate measures	1.61	1.037	1.45	.510	1.40	.754	1.35	.489	1.86	.560
12	I find respect and understanding of managers important	1.50	.618	1.60	.503	1.35	.489	1.30	.470	1.95	.575
13	I find it important that colleagues and leaders remember about my birthday, wedding, etc.	1.78	.943	1.85	.366	1.45	.759	1.40	.503	2.27	1.120
14	I find it important that my working day does not exceed 8 hours	1.72	1.274	1.70	.470	1.55	.826	1.45	.510	2.27	1.120
15	I find it important that overtime is appropriately paid for	1.56	.616	1.90	.641	1.25	.444	1.35	.489	1.64	.581
16	I find it important to have my vacation in time	1.44	.784	1.75	.550	1.15	.366	1.35	.489	1.55	.510

As can be seen from Table 5, standard deviations in the second part of the employees' poll are low in all five hotels, i.e. all the issues discussed are sufficiently resolved. Besides, rewarding a successful employee in all five Almaty hotels is crucial for 53% of the hotel respondents, while 43.5% support them. As such, awarding is a very important process. The employer can apply various forms of motivation to its employees for high labor performance. Types and forms of labor promotion are defined by collective agreements and rules of the employer. It can be a valuable prize, bonus, award, thank-you letter and much more. The reward system is one of the most efficient ways to motivate employees (Table 6).

46.9% of respondents consider respect and understanding among employees necessary, and the number of those willing to join them is 52.2%. This is a very urgent situation. Communication is a complex process of establishing relations between people; cognitive or emotional information, experience, knowledge, skills that are exchanged between two or more people. Relations are a necessary prerequisite for the formation and development of individuals and groups.

**Table 6**  
Determination of the need to reward employees who have achieved high performance in Almaty hotels

	<b>Unequivocally</b>	<b>Yes</b>	<b>Do not know</b>	<b>No</b>	<b>Absolutely not</b>
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	%	%	%	%	%
Ambassador	50.0	44.4	-	5.6	-
Holiday Inn	50.0	50.0	-	-	-
Intercontinental	75.0	25.0	-	-	-
Kazjol	70.0	30.0	-	-	-
Kazakhstan	22.7	68.2	9.1	-	-

Analysis of Table 6 reveals that the need to reward hotel employees who have achieved high performance is one of the decisive factors in improving the quality management system, where the answer "unequivocally" was given by 22.7% and "yes" was given by 68.2%.

Communication is known as a complex process of interaction between people, consisting in the exchange of information, as well as in perception and understanding of each other by the partners. The communication process begins with the need to share some facts or opinions, enter into interaction with another employee. Then comes the period when the interlocutors work out the situation and goals of communication, evaluate each other, build an approximate plan and choose the manner of communication. Once the contact is established, people exchange information, evaluate the reaction of a colleague, while trying to adjust the model of their behavior.

People exchange information, experience, knowledge, skills and interact with each other during communication. Relations are divided into 3 types: interactive, communicative, perceptual. Levels of the relationship are: meso, macro, micro, spiritual, business, etc. Main activities are:

- 1) information and communication (related to the exchange of information and mutual recognition of people);
- 2) regulatory and communication (regulation of people's actions and organization of joint activities);
- 3) affective and communication (associated with emotional aspects of a person).

The main goal of human relations is to achieve mutual understanding. It is important to be able to listen and understand communication. This will allow to understand the inner world of another person and accurately deliver ideas to them. People try to avoid the negative consequences of conflicts (Table 7).

**Table 7**  
Presence of respect and understanding in relations between employees

	<b>Unequivocally</b>	<b>Yes</b>	<b>Do not know</b>	<b>No</b>	<b>Absolutely not</b>
	%	%	%	%	%
Ambassador	27.8	72.2	-	-	-
Holiday Inn	35.0	65.0	-	-	-
Intercontinental	70.0	25.0	-	5.0	-
Kazjol	60.0	40.0	-	-	-
Kazakhstan	40.9	59.1	-	-	-

The implementation of the following rules will help establish good relations between people: equal treatment, rudeness- and pessimism-free communication; respect of the personal opinion of the interlocutor; respect of the opinion of another person; and adoption of experience. A person familiar with the culture of communication treats the interlocutor with respect. Respect for a person is the key to good relationships between people.

Information is a key element in the operation of any enterprise. If the available information is accurate, complete, reliable and timely, then the decision-making process will be as well correct and efficient. Among the employees of the hotel departments who are in contact with each other, the number of those who consider that information should be transferred in a timely, accurate and reliable manner is 51.4%, while the number of those supporting 45.6% (Table 8).

**Table 8**  
Providing timely, accurate and reliable information between  
the departments of hotels located in Almaty

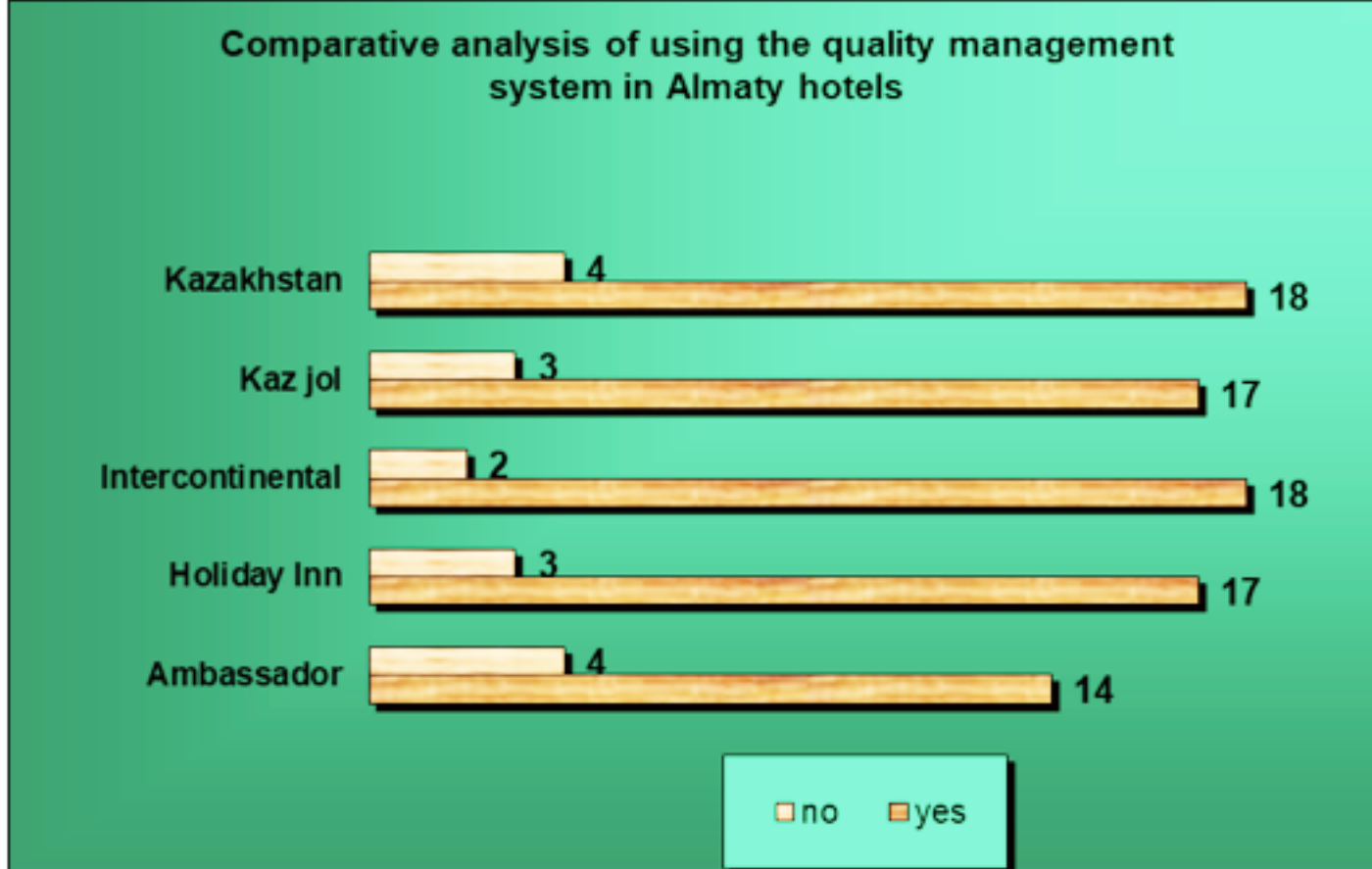
	<b>Unequivocally</b>	<b>Yes</b>	<b>Do not know</b>	<b>No</b>	<b>Absolutely not</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Ambassador	44.4	44.4	11.2	-	-
Holiday Inn	45.0	55.0	-	-	-
Intercontinental	70.0	30.0	-	-	-
Kazjol	65.0	35.0	-	-	-
Kazakhstan	27.3	68.2	4.5	-	-

The third part of the poll covers issues related to the quality management system and their application in hotels (Figure 2).

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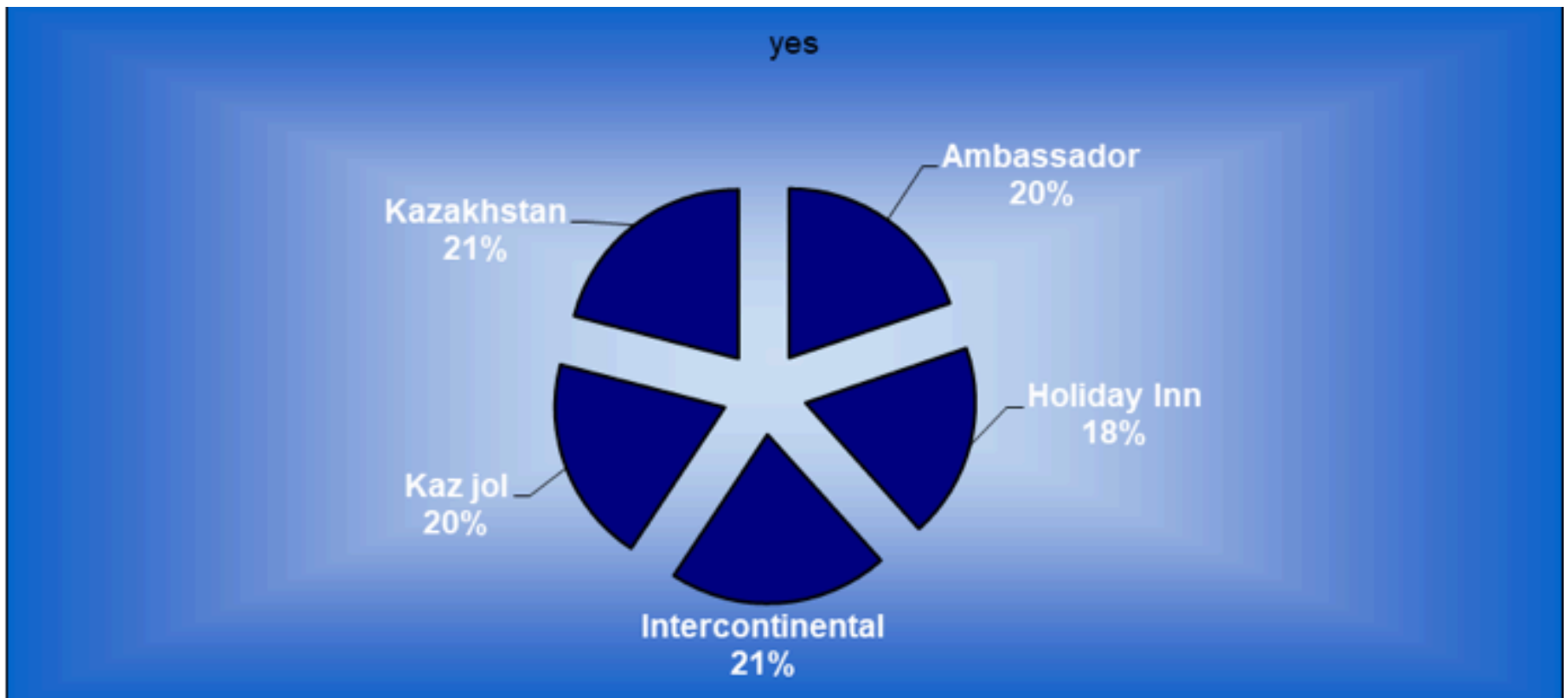
1. Is there a quality management system introduced in your hotel?
2. What departments are guided by the quality management system in your hotel?
3. What are goals and tasks of the application of the quality management system?
4. Are there any specially developed quality management system criteria for your enterprise?
5. What routine knowledge do you receive based on the quality management system?
6. What tasks does the quality management system solve in your hotel?
7. What is quality? What does the quality measure in your hotel?
8. What do you think: are there high-quality service and successful management implemented in your hotel? Do you control their execution?

**Figure 2**  
Comparative analysis of using the quality management system in Almaty hotels.



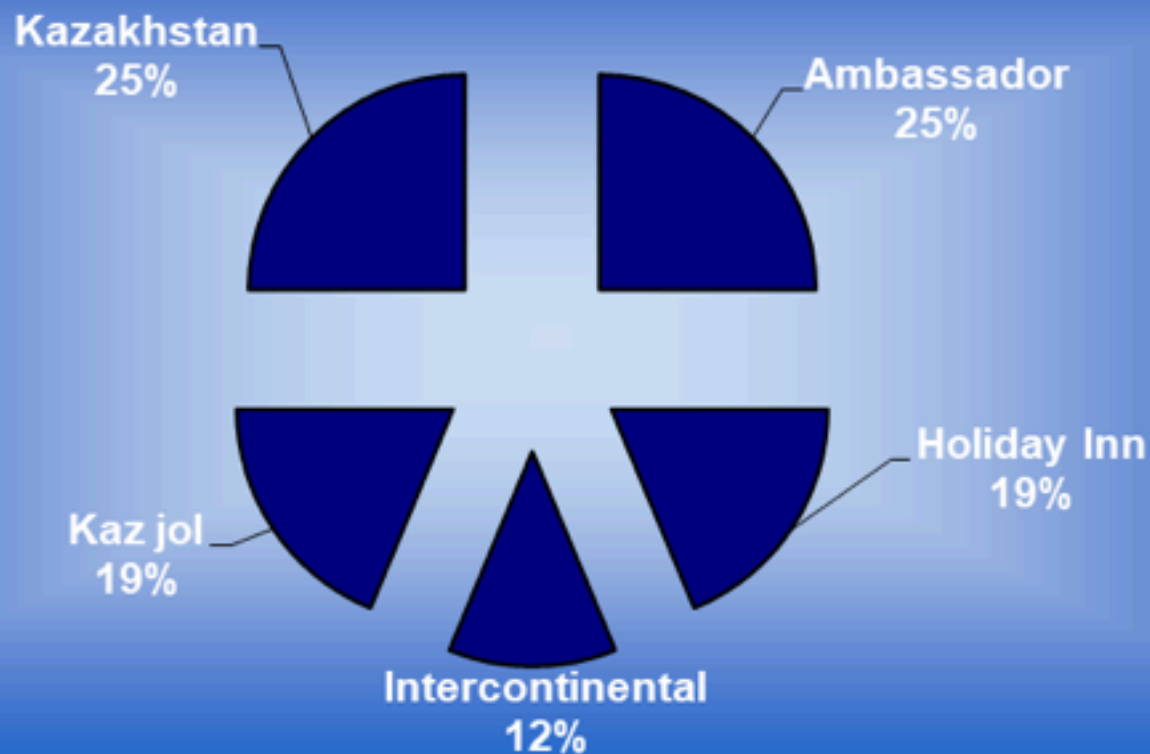
The following situations were encountered during the analysis of responses to the questions in this part. All five hotels had a quality management system implemented, but not at the required level, because most employees stated in their responses that they did have a quality management system in their hotels, but many employees did not know the meaning and conditions for using them (Figures 3 and 4).

**Figure 3**  
Share of the hotel staff supporting an implemented quality management system in Almaty hotels



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**Figure 4**  
Share of the hotel staff refusing an implemented quality management system in Almaty hotels

no



Based on the analysis of questionnaires received in this part, the following circumstances have been identified:

- the goal of any hotel is profit, and the way to make a profit is provision of large services, regular filling of hotels with customers. To do this, each hotel aims to provide customers with a higher level of service. Quality service should be provided to meet the highest needs of guests. Therefore, hotels should not only act efficiently, but also regulate the service in a timely manner;
- the purpose of regulating the hotel service is to create a connection between the departments, managers and specialists and to eliminate deviations and deficiencies in the course of the provision of services and further development and improvement of the provided services.

## 5. Discussion

The most controversial findings obtained during the research are the following.

1. Deepening and development of the theoretical basis for the creation and development of a mechanism for managing hotel enterprises and their particular elements in the services market operation:

- it is necessary to further develop provisions on the ways to increase sales of hotel business services in a highly competitive market by improving the system of their management as a market product; the role of services in the development of international relations of the state is defined;
- it is especially important to identify trends in the changing life cycle of consumer services in the hotel business in comparison with the life cycle of services in the modern geoeconomic space and their impact on the need to accelerate the development of the national services market;
- it is necessary to systematize the factors determining the perception of hotel services by consumers as an assessment of their competitiveness, which provides the basis for the search for opportunities to develop a mechanism for managing them;

2. Systematization of methodological provisions relating to the following aspects:

- rationale for the concept of managing hotel services as a "management-marketing" system through the use of relationship marketing is required;
- systematization of the principles for developing a set of management tools for hotel services in terms of their material and non-material components, generally aimed at satisfying the relevant requests of consumers, is required;

- it is required to substantiate the main methodological provisions and the sequence of processes for implementing the managerial concept of building analysis of the human resources use in enterprises providing hotel services.

3. Development of methodological recommendations at the model level to find ways and opportunities for improving the hotel services management mechanism on the basis of expanding the range of economic evaluations:

- it is required to develop a way of estimating the public value of the contribution share of the hospitality services industry;

- it is necessary to justify the method of assessing the borders of the country's security with foreign investment and economic participation in the development of the national economy; a methodology for choosing the best position of the hotel business, which is aimed at achieving market success, is suggested;

- it is necessary to develop proposals for improving the methodology for designing the process of providing services as a way to manage market functions of hotel marketing and the methodology of forming the marketing research system and using a logistics management base in the area of hotel services.

4. Identification of the key areas of building a mechanism of strategic management of hotel services, which shapes the competitive advantages of hotel enterprises in the Republic of Kazakhstan:

- it is necessary to develop a perfect strategy to reduce costs in the hospitality industry based on transferring the experience in arranging management in foreign hotel chains and consortia to Kazakhstan;

- it is necessary to develop a methodology for assessing the integrated use of accompanying catering services and the entertainment industry in hotels as cluster entities aimed at improving the efficiency of managing hotel enterprises.

5. Development of the conceptual provisions for improving the competitiveness management system at Kazakhstan's hotel enterprises:

- generalization and systematization of the foreign countries' experience in managing the hotel industry at the macro- and microlevels are required, and recommendations are provided on the use of best practices in managing the hotel business in Kazakhstan;

- it is necessary to define the classification criteria and the system of typification of Kazakhstan's hotel enterprises to assess the level of quality and competitiveness of services and to determine the degree of their compliance with international standards;

- development of proposals on the ways to improve the efficiency of managing the price and communication policy of hotels in Kazakhstan and recommendations for the development and expansion of the hotel services network in rural areas, in remote and sparsely populated regions of Kazakhstan are required;

- it is necessary to determine the specifics and methods for expanding the possibilities of logistics in the hotel management system of the Republic of Kazakhstan.

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## **6. Conclusion**

The research of the theoretical and practical issues of managing hotel services in the countries with post-socialist economy and foreign countries allowed to draw the following conclusions and proposals.

1. Comparative analysis of the concepts of managing services as a specific market product existing in economics reveals that scientists still do not have a single view on the essence of services as an economic category, which is expressed in a variety of shades in judgments about services, with a common regard to them as to a servicing kind of activity of a non-material nature.

2. Variety of services types makes it difficult to conduct full-fledged research in the field of evaluating a really functioning mechanism for managing them, since, despite the hotel business being a typical representative of the services market, it has been studied to the least extent in Kazakhstan science. However, the hospitality industry has gone through many



centuries of its evolutionary development and shaped its own special mechanism for managing hotel services, which has recently been developed on the basis of integration processes in the form of creating hotel chains and international consortiums with the wide participation of foreign partners.

3. The need to create a system for managing the growth in the competitiveness of national hotel services up to the level of international standards determined the analysis of global practice of the hotel enterprise performance, which became the basis for developing authors' proposals on the ways to determine the system of quality indicators in the countries with post-socialist economies, including Kazakhstan's hotel services as a method for revealing the degree to which they satisfied the consumer needs, and also served in the thesis as the basis for the formation of theoretical and methodological provisions and the authors' systematization of factors that defined the perception by hotel customers of a particular level of competitiveness of hotel services.

4. Creation of a modern mechanism for managing hotel services is currently impossible without the accelerated introduction of a computer and information base to ensure managerial decisions, because information support for any type of business has become one of the sensitive growth resources for national competitiveness in the modern world. This provision served as a rationale for developing recommendations on the ways to improve the information support of hotels in the countries with post-socialist economy by developing modern logistics and improving the use of computer equipment within hotels as a way to expand the range of hotel services.

5. General analysis of the state of the country's economy and that of the sector subject to a case study is the most important in the search for ways to improve national competitiveness. Therefore, the work assesses the economic condition of the Republic of Kazakhstan as the basis for its services sector operation, analyzes the state of the national hotel sector, forms description of available problems that impede the development of the hotel business in Kazakhstan up to the level of international standards of its competitiveness existing in the world, makes a range of proposals on the ways to stimulate the improvement in the quality of national hotel services from the hotel regulatory system and participation of government agencies in this process.

6. Specifics of managing not only the hotel business, but rather the whole service sector lies in the fact that its efficiency entirely depends on the performance of employees communicating with customers and requiring to build a "management-marketing" system, which served as the basis for conducting the analysis of the methods used to manage personnel in hotels in the countries with post-socialist economy. This analysis allowed to identify drawbacks in economic and social motivation at the enterprises of the hotel industry, create options of changing the ways to encourage the work of employees at national hotels based on modernizing existing incentives, as well as to develop individual value, leadership principles and strategies for building the organizational culture at the hotel enterprises.

7. The need to improve motivation for work allowed to create a number of practical recommendations in the work on how to assess the individual contribution of an employee to the overall financial success of the enterprise and to develop a system of surcharges and discounts to the basic wages of each employee at hotel enterprises.

8. Efficiency of the search for ways to promote services to the market largely depends on the skillful use of marketing in the activities of enterprises. This provision allowed to justify recommendations provided in the article and associated with methods for expanding marketing activities in the hotels of countries with post-socialist economy on the principles of marketing relationships, with using the ways of creating marketing information systems in hotels, draft the recommendations for choosing the best hotel location within the boundaries of consumer flows, make proposals on methods for improving the commodity, price and communication strategy of the hotel business, and define measures to expand the methods of marketing analysis of the market environment.

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