

УДК: 338.48:005.6(497.7)

## **APPLICATION OF QUALITY MANAGEMENT AS AN ADVANTAGE IN TOURISM IN MACEDONIA**

**Drasko Atanasoski<sup>1</sup>, Ruzica Nikolova<sup>2</sup>**

<sup>1</sup>PhD, Faculty of Tourism and Business Logistics, Goce Delcev University, Stip, North Macedonia,  
[drasko.atanasoski@ugd.edu.mk](mailto:drasko.atanasoski@ugd.edu.mk)

<sup>2</sup>Student of Second cycle studies, Faculty of Tourism and Business Logistics, Goce Delcev  
University, Stip, North Macedonia, [ruzica.217182@student.ugd.edu.mk](mailto:ruzica.217182@student.ugd.edu.mk)

### **Abstract**

Quality management in tourism plays a critical role in ensuring customer satisfaction and long-term success of tourism operations. In tourism, quality is a key factor for competitiveness and maintaining customer loyalty. Starting from the importance of treating this problem, this paper investigates the fastest possible application of quality management in tourism to ensure high quality of services, and thus improved tourist experiences and repeat visits. By processing data and using world databases, this paper offers a comparative analysis, but also shows that the application of quality management is weaker. Therefore, the paper gives recommendations that every tourism company should implement QM, if the company wants positive results from its operations, growth of its revenues in the long term by improving operational effectiveness and resource management.

*Key words: management, quality, tourism, effectiveness, income, tourists.*

### **1. Introduction**

Quality is an important factor for the survival, business success and prosperity of enterprises, while the activities of producers are aimed at preventive measures to ensure quality in the entire life cycle of the product, to approach the so-called error-free production, as gaining confidence among customers that the organization system in the enterprise provides products with the necessary and constant quality.

Therefore, for the successful inclusion of production enterprises in the liberalized market and successfully facing the ever stronger and more dynamic competition, it is necessary to ensure higher level of quality, maximum flexibility, reduction of costs, to the extent of the necessary minimum and shortening the production time (Neubauer, 1997). Also, the companies must direct their activities in the shortening possible time for the product to appear on the market; performing on the market with better products and services; constantly making quick changes to products and services and reducing prices as providing all necessary standards and certificates for the product and the organization. So, the competitiveness of the company in the world's global and liberalized market is determined by the quality of the processes inside the company itself (Trajcevska, 2017).

Quality means the tendency to perform work tasks well the first time and every subsequent time. Quality assurance basically means that quality control is implemented in a systematic way, that is, that appropriate quality management is established through planning and system activities. It implies compliance not only in the sphere of production, but also in the course of design (development, installation and servicing), as well as in the assessment and verification of the functioning of the management system (including documentation).

## 2. Theoretical review of the term „quality”

Facing today's business environment, characterized by rapid advances in technology, global competitiveness and increasing customer expectations, managers must be more innovative, proactive, flexible and with a greater focus on quality. The quality of the product and the service in the organization become crucial and one of the most important factors affecting the long-term operation of the organization. The issue of quality is very present in the theory and practice of modern management, especially in recent decades. Product and service quality has become the most competitive weapon of organizations worldwide (Hill, 1998). In that competitive struggle, the winners will be the organizations that succeed in developing an innovative culture, in which the employees will enjoy the changes but also be the bearers of such innovative changes.

The term "quality" can be used in the context of - reliability in use, that is, it means that which is made of a special material, processed in a special way, with a high degree of attention and invested effort. The term quality is often equated with the concept of sophistication, elegance, sometimes luxury. Quality is not easy to define, but one thing is certain: quality is not an absolute quantity, on the contrary, it is relative.

Quality is a perceptual, conditional and somewhat subjective attribute and may be perceived differently by different people. Users may focus on the quality specification of the product/service, or how it compares to competitors in the market. Manufacturers can measure and adjust quality, that is, the degree to which the product / service is produced correctly.

Numerous definitions and methodologies have been created to help guide the aspects that affect quality in business operations. Many different techniques and concepts have evolved to improve the quality of a product or service. There are two common functions related to quality within a business. One of them is quality assurance, which function is the prevention of defects, such as the deployment of the quality management system and preventive activities such as FMEA (Failure Mode and Effects Analysis). The other function is quality control, to detect defects, which are usually related to testing, which takes place within the quality management system and is usually called verification and validation.

In order to facilitate the definition of quality, several criteria and definitions have been formulated (Trajcevska, 2017):

- a) Judgmental criterion: This criterion is based on the idea that quality is synonymous with superiority or excellence. The subjective notion of quality is also based on the idea of building the image of individual products and companies, such as: Adidas, Alfa Romeo, Hilton hotels, etc.. since this criterion does not provide clear guidelines for measuring quality, it has very little practical value for managers.
- b) Product – Based criterion: This criterion treats quality as a function of specific, measurable parameters and differences in quality that are attributed mostly to the characteristic quantity of the product or service, for example, the specific consumption of fuel or the amount of food in a serving. This means that the product or service that contains the parameter that best suits the demand of the user/consumer is considered to have a higher level of quality.
- c) User-Based Criterion: This criterion is based on the assumption that quality is what users, ie consumers, want. Based on this criterion, the definition of quality can be as a degree of good performance of the basic function. Accordingly, both the rowing boat and the speedboat are suitable for their purpose, water transport. If the priority is relaxation, then the rowing boat will be the means to satisfy the needs of the consumer, while in the case of the desire to go fast then the speedboat will win the favor of the consumer.
- d) Value-Based Criterion: The relationship of appropriateness or the level of satisfaction with the product and the price is the basis of this criterion. This criterion implies that the product sufficiently satisfies the needs of the consumer, while at the same time being cheaper than the competition.

- e) Manufacturing-Based Criterion: This quality criterion means achieving the defined outcomes of the production process, or in other words, achieving certain, specific parameters.

### 3. Model of quality management systems

If we look back at the history of quality management systems, we will arrive at today's world-famous Quality Management System, ISO 90014. This system was created by the International Organization for Standards (ISO) and its ISO 9001 framework. Its purpose is providing quality management systems that will help organizations to work efficiently and introduce best practice methodology. The ISO 9000 family of international quality management standards and guidelines has gained a global reputation as the basis for establishing efficient and effective quality management systems in both the private and public sectors. This means that it can be applied capably around the world – regardless of the culture of different countries or the culture of different organizations. It is generic and applies to all sectors.

The standard has been developed based on best practices that have been developed in recent years, looking at how they work together to deliver and achieve benefit for organizations. The ISO 9000 family addresses various aspects of quality management and contains some of the most well-known ISO standards. The family of ISO 9000 standards is composed of:

- ISO 9001: 2015 – sets the requirements for a quality management system
- ISO 9000: 2005 – covers basic concepts and language
- ISO 9004: 2009 – focuses on how to make a more efficient and effective quality management system
- ISO 19011: 2011 – sets guidelines for internal and external audits of quality management systems.

ISO 9001 specifies the essential requirements for a quality management system that an organization must meet to demonstrate its ability to consistently provide products (which include services) that increase customer satisfaction and satisfy applicable legal and regulatory requirements. The ISO 9001 model is presented in the figure below and serves as a framework for how an organization should operate in terms of quality and more specifically, what an organization should do.

The model shows five principles, where each principle determines a set of requirements, procedures and processes that should be considered for the implementation of the system:

- General requirements for the quality management system and documentation
- Responsibility, focus, policy, planning and management goals
- Resource management and allocation
- Product/service realization and process management, and
- Measurement, monitoring, analysis and continuous improvement.

An organization's performance can be improved through the use of a process approach. Processes are managed as a system defined by a network of processes and their interactions, creating a better understanding of added value. It is pointed out that ISO 9001 requires (and has always required) a "documented quality management system", not a "system of documents". This enables each individual organization to develop the minimum number of necessary documentation to demonstrate effective planning, operation and control of its processes and implementation and continuous improvement of the effectiveness of its Quality Management System.

#### **4. Customer focus as part of the management of the quality control system in tourism**

The main reason for the existence of a product on the tourist market is to satisfy the needs and demands of the market, and thus create loyal and satisfied customers. In that way, the tourism company achieves competitiveness, high market share and ensures profit. These are the basic business goals of any company. The fulfillment of the stated goals depends on how successfully the company meets and exceeds the requirements, wishes and needs of its customers. It is known that the buyer - customer before any purchase, consciously or unconsciously, has certain expectations related to the characteristics, quality and price of the products or services. A satisfied customer repeats the purchase of a certain product, which is the basis for a successful business (Bolatan et al., 2016). But here, an important question arises: what characteristics of the product or service provide and for how long will they provide satisfaction to buyers - clients in tourism?

According to the definition of R.F. Gerson, which applies equally to products and services, "the customer is satisfied when the product or service meets or exceeds his expectations." Hence, the degree of customer satisfaction is what determines the position of the product or service in the tourism market. At the same time, a problem for the company is the dilemma of how to assess the degree of satisfaction of the buyers of the arrangements or tourist services. Various methods and ways of researching and evaluating customer satisfaction are well known, but one that is quite simple and accessible is the Kano model. It introduces a simple and flexible tool for assessing the quality and competitiveness of any type of product or service, which is quality.

The first and highest characteristic of TQM is that the focus of the tourism company is to be customer-oriented. Quality is defined as meeting or exceeding customer expectations. The goal is to identify and then meet customer needs. TQM asserts that a perfectly manufactured product has little value if it is not what the consumer is looking for. That is why we can say that quality is driven by the customer. However, it is not always easy to determine what the customer wants because tastes and preferences change. Companies need to constantly gather information through focus groups, market research and customer interviews in order to stay in tune with what customers want. They always have to remember that if it weren't for their customers, then their business wouldn't exist either.

#### **5. Concept of continuous improvement as part of the quality control system in tourism**

Another concept that makes up the TQM philosophy is the focus on continuous improvement. Traditional systems operate on the assumption that once a level of quality has been successfully achieved, further improvements in tourism are not required. The concept of total quality tends to think of improvement in terms of "plateaus" to be reached, such as passing the certification test or reducing defects to a certain level (Delic, 2014). Traditionally, for American managers, change involves large magnitudes, such as major organizational restructuring. On the other hand, the Japanese believe that the best and most lasting changes come from gradual improvement (Wu & Chen, 2015). Using an analogy, they think that it is better to take small doses of medicine than to take one large dose.

Two approaches that can help companies for continuous improvement: plan –do– study – act (PDSA) cycle and so on. benchmarking.

The Plan-Do-Study-Act approach or (PDSA) cycle describes the company's activities that should be carried out in order to engage in the process of continuous improvement of its operations. This cycle is also called the Shewhart cycle or Deming's wheel. The circular nature of this cycle shows that continuous improvement is a never-ending process.

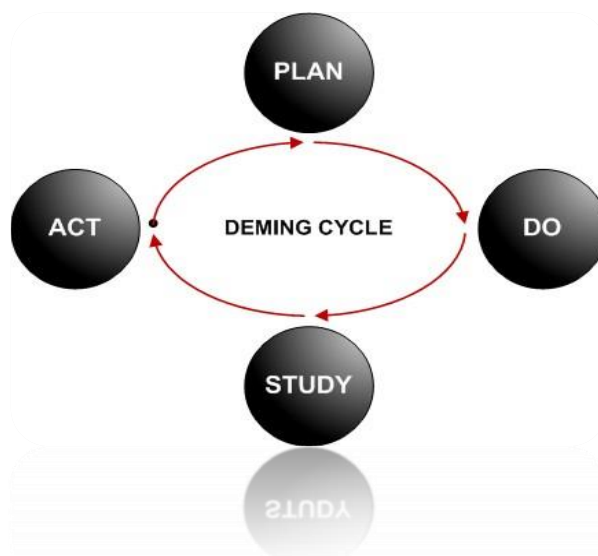


Figure 1. Plan – Do – Study – Act (Arizankovska)

- Plan – the first step in the (PDSA) cycle is to plan. Managers must evaluate the current process and make plans based on the problems they find in the process. They should document all current procedures, collect data, and identify problems. This information should then be studied and used to develop an improvement plan, as well as develop specific measures to measure effectiveness.

- Do – the next, second step in the (PDSA) cycle is implementing the plan. During the implementation process, managers should document all changes made and collect data for evaluation.

- Study – the next step, the third step in this cycle is to study the data collected in the previous phase. The data is evaluated to see if the plan achieves the goals established in the planning phase.

- Act – the last fourth step in this cycle is to act based on the results of the first three phases. The best way to achieve this is to communicate the results to other members of the company, and then implement a new procedure if the overall cycle is successful.

Benchmarking approach – Studying the business practices of other companies in order to make a comparison. Another way for companies to implement continuous improvement is by studying the business practices of companies that are considered "best in class." This is called Benchmarking. The ability to learn and explore how others run a business is an important part of continuous improvement or improvement. The benchmark company does not have to be in the same business, as long as it is superior in something that the other (watching) company might have an interest in. For example, many companies use the American firm Lands' End for catalog distribution because it is the best in its business.

## 6. Application of quality management as an advantage in tourism in Macedonia

Modern management in tourism is not only competition in the provision of tourist services, quality and other elements of operation. At the same time it is a battle of minds, initiative, courage, organizational skills and more. The managerial revolution shows that it had a decisive influence on the development of capitalism, and the history of management shows that the phenomenon of instability, both of the organization and of the managers, was placed in the foreground. In other words, some business entities fail, others emerge (Azar, 2017). The most learned, most capable and visionary managers who are able to predict the development of events and have the feeling to reduce the negativity of their company from the field of tourism are usually in the winning position. Modern management in tourism, as well as future management, requires knowledge and management skills, strategic and tactical maturity. Modern managers in tourism have completely eliminated the template way of

working, influences from outside the environment, passivity and haste. Managers need to think faster than others (Milovanovic, 2014). It is a general endeavor of the manager in tourism to beat the competition with knowledge, skill and ability.

Quality management in tourism in the Republic of Macedonia has its own specificities and characteristics, which derive from the past order (Abukhader, 2021).

- a) Decision making by intuition - in our conditions, similarly as in the developed world, quality management in tourism has a decisive influence on the mobilization of all factors of production, i.e. providing tourist services. Namely, the decision-making power is still in the hands of the general manager, both for initiating strategic analyzes (33%), for purchasing new equipment or changing the activity (shared with the board of directors in 45% of cases), as well as creating a new or permanent job (even in 77% of cases). It seems that intuitiveness still prevails in decision-making.

The quality decision-making process for strategic or operational decisions is almost unified in tourism enterprises and usually takes place on the basis of: proposal of the general manager, decision of the board of directors together with the expert collegium in the first case, that is, the general manager with the managers of the sectors in the second case.

From the research of the changes in the organizational structure of the tourist enterprises, as well as from the way of their reaction either to the external or to the internal influences, it was concluded about their age (Choy, 2000). The predominant preoccupation of quality management is towards the internal problems of organizations. In 52% of the cases, the problems are for managing people. Control problems are ranked second (28%), while financial problems are the last.

Self-sufficiency and complacency - in Macedonia, the competitive spirit (understood as expanding and reacting to the external perspective) is ranked low, which is more proof of the self-sufficiency and complacency in which organizations that have passed the zenith and are in the phase of early or late bureaucratization usually fall. Since there is a low level of organization in Macedonia, quality managers are rightly focused on internal problems. Internal problems are so complicated that managerial orientation towards them may be completely justified. But this situation is also an argument in favor of the thesis about the age of tourist enterprises, which according to these findings are in the last phase of the life cycle of a so-called politicized organization.

- b) Informing in a closed circle - the negative sign of such an attribute results from the following:
  - Informing about the (dis)satisfaction of the users of the products and services is done by direct contact with them, but this is done occasionally or as needed.
  - No one in particular is in charge of monitoring and informing the tourist company about the conditions in the environment (eg about innovations in equipment capital, new technologies, new forms of organization of operations, monitoring of competition, etc.).
  - Informing the management structures inside the organization in 40% of cases is provided through meetings that are held as needed, in 11% of cases in mutual informal contacts, and only 2% through the information system of the tourist enterprise, while combined in 23% of the cases.
  - From everything stated in terms of information, we come to a conclusion about its extensiveness, lack of promptness and irresponsibility of the organizations in realizing the importance of information about quality control (Talib et al., 2010).
- c) Indolence towards knowledge - as it is known from the theory of organizations, mature enterprises have to decide on the future, relying on outdated equipment, classical provision of tourist services and people who are also with outdated knowledge, which are certainly problems that young companies do not have. It is evident the neglect of the vital resource in organizations

(managers and employees) on the one hand, and on the other hand the complexity and extent of the problems that managers have to face, either internally or externally. That, of course, calls into question the possibility for managers to overcome those problems with such an indolent attitude towards knowledge and education, which is contrary to the modern world. When asked what successful quality control decisions Macedonian managers have made recently, they cite decisions that mainly relate to solving external problems such as: secured placement of services, successful procurement of raw materials, introduction of a new tourist product, etc. The struggle for survival forced them to turn to environmental problems, which culminated in a short period of time with drastic changes and restrictions. Almost without exception, they emphasized that they were doing it in an information vacuum.

- d) Flexible management style - Macedonian managers point out that the shift from autocratic to flexible management style is evident. The first sprouts of entrepreneurial spirit among individuals in tourism are already visible.
- e) Risk readiness - the willingness to take risks is highly expressed. Relations between managers and employees are rated as currently good, although this rating should be taken with a grain of salt, as it is often observed that owners and individual businesses treat employees as if they were in the initial capital accumulation phase. Such an entrepreneurial spirit is present not only among individual businessmen but also among all employees who participate in decision-making. A greater loyalty of employees to the owners of the enterprises is also observed through the relatively low fluctuation and absenteeism, although this may be an indicator of a still undeveloped market structure, that is, insufficiently expressed opportunities for employee fluctuation.

## 6. Conclusion

Standards are in the center in the focus of organizations/companies present in the global market. So it is more and more common to hear that if the 20th century was the century of productivity, then the 21st century will certainly be the century of quality.

From there, quality management, that is, the successful implementation of quality management systems, is an important prerequisite for achieving business success for any business entity, as a prerequisite for survival in the global market. In that context, the pronounced dynamism and competitiveness of the foreign and domestic markets imposes the application of standards and management systems in all domains of the economy, i.e. in all activities and in all business processes of Macedonian organizations, bearing in mind the fact that management systems are tools that nowadays they are inevitably used as a flexible response to new market challenges.

The application of standards and management systems is a management discipline that deals with the prevention of problems, with control that ensures prevention, that guarantees that organized activities will take place as planned. In fact, quality standards are an effective tool for solving all quality and safety requirements by establishing a modern and innovative organization/company, where the same are the desire and goal of any successful market-oriented organizational system. From there, the standards and management systems for quality management, both for everyone and for the Macedonian economy, are a prerequisite for the success of the domestic and foreign market, ie the global liberalized market.

## References

Abukhader, K.; Onbaşıoğlu, D. The effects of total quality management practices on employee performance and the effect of training as a moderating variable. *Supply Chain Manag.* 2021, 9, 521–528.

Azar, G.; Ciabuschi, F. Organizational innovation, technological innovation, and export performance: The effects of innovation radicalness and extensiveness. *Int. Bus. Rev.* 2017, 26, 324–336.

Bolatan, G.I.S., Gozlu, S., Alpkan, L. & Zaim, S. (2016). The impact of technology transfer performance on total quality management and quality performance. *International Strategic Management Conference (ISMC)*, 235, 746-755.

C. W. L. Hill, G. R Jones, *Strategic Management Theory, An Integrated, Approach*, Fourth Edition, Houghton Mifflin Company, Boston, 1998, pp. 116, pp.130.

Choy, D.J.L. The quality of tourism employment. *Tour. Manag.* 2000, 16, 129–137.

Delic, M., Radlovacki, V., Kamberovic, B., Maksimovic, R. & Pecujlija, M. (2014). Examining relationships between quality management and organizational performance in transitional economies. *Total Quality Management and Business Excellence*, 25(4), 367-382.

F. F. Neubauer, *Portfolio Management, Concept of Profit Potentials and its Application*, Svetlost, Sarajevo, 1991, pp. 73-116 (in Serbian)

M. Walten, *The Deming Management Method*, A Perigee Book, 1986, pp. 58

Milovanovic, V. (2014). Total Quality Management as a Profitability Factor in the Hotel Industry. *Original Scientific Paper.; Industrija*, Vol.42, no.3, 2014.

Talib, F., Rahman, Z. and Qureshi, MN (2010), “The relationship between TQM and quality performance in the service industry: a theoretical model”, *International Journal of Business, Management and Social Sciences (IJBMSS)*, MultiCraft, 1(1), pp.113-128

Wu, C.M. & Chen, T.J. (2015). Psychological contract fulfillment in the hotel workplace: Empowering leadership, knowledge exchange and service performance. *International Journal of Hospitality Management*, 48, 27- 38.