

Chapter 4:

Critical Review on Role of Standardization in Growth of Tourism and Hospitality Industry in India

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The hospitality industry and the tourism industry go hand in hand and have contributed reasonably to the Gross Domestic Produce around the globe. This study focuses on if the standardization is responsible for growth in Hospitality and if yes then what aspects of standardization have actually helped in the growth of Hospitality. The findings being standardization has the ability to be used as a tool to bring about more uniformity, eradicate the ambiguity and promote clarity. It also states the chronological order of each step within a process may it be in production line or service or when performing guest-oriented activities. It helps in boosting morale as those employees who abide by the given set of standards usually master the activity that they are performing which promotes confidence and boosts morale. Also, standardization helps in giving written evidence of rules due to which an action is performed in a particular way in case there is any objection related to actions of the employee while performing the task. Application of standards help in promoting productivity by giving a number to each and every thing like the units that can be produced in given amount of time, average time taken to perform certain task, etc. These all aspect direct towards customer satisfaction and customer retention as the atmosphere at a well-managed place is always better than an unorganized place. Also, the customer will always want to receive the same level of services or product that has already satisfied him in the past. However, after studying various aspects that affect, it is suggested that some liberties and veto power to few yet relevant members of organization should also be given so as to deliver excellence by going beyond the limits and also when there is a need to take a decision when the situation is adverse and due to the loopholes in standards, solution to it is not there in the pre-defined rules. The conclusion being, yes, up to an extent, the process of standardization can help and boost the growth in the industry of hospitality which is due to the underlying benefits that help in smooth functioning that in return helps to nurture growth.

1 Introduction

Hotel industry, being a sub-realm of tourism industry, in itself is quite vast. As the statistics given by WTTC suggests, India comes at the tenth position amongst 185 nations when we talk about net contribution by travel and tourism industry to the Gross Domestic Product. In the year 2019, the total share by Travel and Tourism Industry to the GDP was six-point eight percent of the economy which when simplified into monetary terms is 13,68,100 crore rupees (Indian Tourism and Hospitality Industry Report, 2021). The share that it had gained and is capable to gain in future is pretty high, although the statistics have curbed quite sadistically due to the pandemic. Although there are various reasons and innovations behind the growth, the one thing that surely is often under-estimated is the standardization. Standardization is the process of laying down standards or protocols that have the ability to direct the production of a good or delivery of service, based upon the unison of perceptions of the governing party/owners in the industry. Standards serve as the key to deliver consistency in the quality, quantity and 'delivered value' to the customer, also considering the presence of competitive products that are available in the market (Corporate



Finance Institute: What is Standardization?). (Bailey) Victoria Bailey in her article mentioned that when a business is standardized, logical systems are incorporated so as to direct the efforts made while performing the process in uniform direction. (Bailey) Rather than pondering upon the situation each time whenever it pop-up, standardization gives a pre-determined list of instructions and protocols which are to be followed for each possible situation. More the product or service standardized according to the needs and the demand of the consumer better is the chance of customer satisfaction and repetition in the act of buying the product or taking the service, which is retention. Although, it cannot be directly said without looking at the statistics if the places that were more standard adhering actually showed growth but if we choose the theoretical approach of management, it can be said that the standards have a huge impact on how a customer perceives a company or brand as a customer not only looks up for good quality but also have some sort of expectations related to it being the same as consumed at the time of last purchase. When these aspects match, the reputation of that brand in the mind of customers also gets into the building stage. Also, the rapid growth of the industry requires a directed path to walk upon, going through which, the forecasted growth in services, goods, standards and profits can be maximized.

2 Review of Literature

Given below is the list that shows the relevance of standardization:

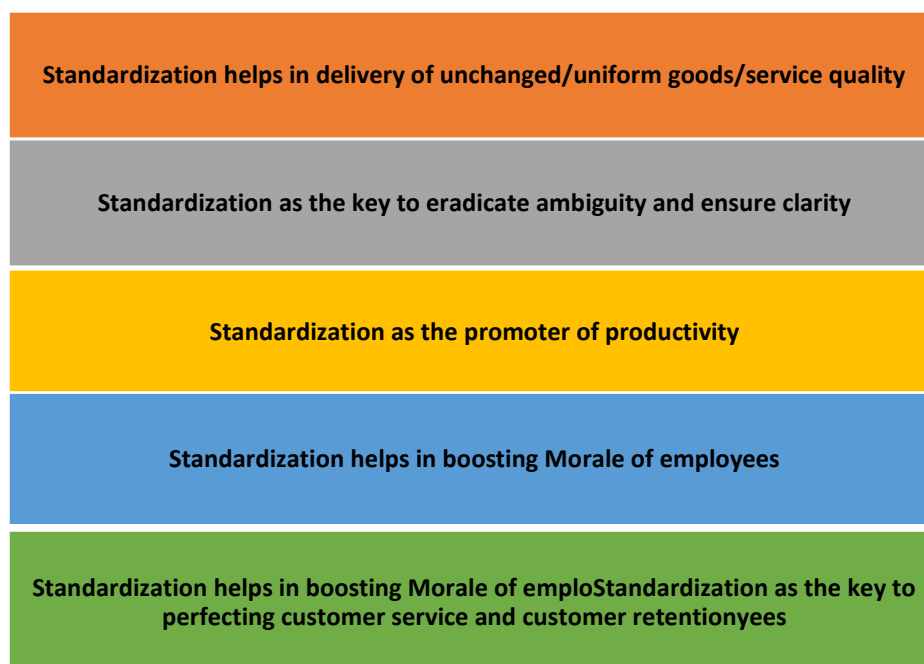


Figure 1: *Relevance of Standardization in Tourism and Hospitality Industry*

2.1 Standardization helps in delivery of unchanged/uniform goods/service quality

As mentioned by Kohler in his blog (Koehler, 2020), “if a predefined standard or SOP is used while manufacturing a product or delivering a service each and every time, irrelevant of the location of it, more uniform goods or services will be manufactured or delivered respectively. When working on the new product or service, with the aid of standardization, the issues related to the same or deviation can be monitored as well as controlled as this can occur consistently. By following such process, the time taken to reach at the stage of marketing by an organization can be reduced as the time taken in identification and implementation of the corrective measure due to standardization will be less as compared to when going without the standards. Also, improvement in the productivity or procedure done at one location can be

easily implemented at all the outlets or service points. When there are existent standards, documentation of important information, training according to a fixed line of action and execution of ideas and plans also stay the same throughout the locations”. (Brandall, 2018) Every task that is performed in an organization or hotel, irrespective of the frequency of its occurrence, has the requirement of set of rules that are determinants of the method that needs to be followed, the quality of it and the scope. These standards are important to an extent that if not followed then there are chances that the hotel or the organization may lose the sight over the quality and over human blunders. That blunder can be anything related to service time in restaurant or knocking the door of the guest or rules related to lost and found, portion size and quality aspects like color, texture, garnish, seasoning, dressing, etc. of the dish. As mentioned in the next part that absence of Standardization can lead to more ambiguous outcomes, it can be said that this would thereby lead to unreliability and inconsistent quality. One of the most prominent factors that depicts that standardization actually helps in ensuring quality is that it necessitates the need to follow a particular flow of work which keeps a check that the details are not overlooked. For an instance, if a hotel has a portal that has forms and formats which are ready to be filled and does not require the making of new formats by different personnel, then the chances of missing out on any information while making the reservation for the guest are very less. This justifies that if the standards are well designed considering each aspect or factor that may play a role while procedure is being followed, then the standardization can guarantee the delivery of uniform and unchanged quality of the outcome. Through these standards only, chain of hotels is able to globally perform their day-to-day practices in the same manner as performed in any other hotel of the chain in any city, state, country or continent.

2.2 Standardization as the key to eradicate ambiguity and ensure clarity:

Variety reduction is one of the main aims of standardization and it helps in optimizing the number of sizes, ratings, grades, composition and practices to meet prevailing needs (Satyendra, 2017). Balancing between too many and too few varieties is in the best interest of both the producers and the consumers. (Melanie, 2020) If a person knows how to perform a task, it becomes better if there is a standard laid out that can be followed by anyone, however, training will always hold importance place but having organized and clear standards and instruction sheet lessens the time taken to complete the task, with more clarity and positive outcome. This is important because the standardization is directly related to the safety of other. (Krysalisco Team,n.d) With increased clarity and reduced variations in process, consistency in the terms of quality can be delivered and at each and every stage of manufacturing, the quality tends to improve with passing time. For example, if there is a particular process followed in a hotel- like consider the show round of the hotel to the guest, in such case, if a pre-written process of where to go first and the sequence in which one should move along with the details of each and every area visited, then it will be very easy for the employee to conduct the show-round easily and with moving time, the probability of the process getting better day by day is also high. (Maintain X,n.d) SOPs/Standards also play an important role at the time when an employee who is assigned a particular task is absent due to any sort of reason- may it be sickness, absenteeism or due to change in occupation or any underlying scenario as those who are present at the time can actually take reference of these rules and regulations and can do the task based upon that information easily. (FDA, 2018) Another example of it being the hotels following guidelines laid down by HACCP which is a management system through which the analysis, study and control over physical, chemical and biological hazards like cross- contamination can be done.

2.3 Standardization as the promoter of productivity

There are many factors that are conclusive of how standardization helps in promoting productivity, one of which being the standardization's ability to challenge the competitors to match their standards based upon what the market follows, which means if one organization is raising the standards then in order to survive, other organizations also have to raise its standards. (U.K. Government Archives, 2015) All of the studies that were reviewed were depicting that increase in the competition directed towards the increase in the productivity of the industry (CEB-BEC, n.d.). CEB-BEC has explained this with the help of an example-companies that are producing goods or products like paper, stocks and Hot-Dogs generally pack with the no. of stocks or pages same as their competitor does. (Papaioannou, 2017) It is mentioned that regulations in long term effect may cause low productivity. However, in order to reduce spoilage due to difference in the methods used by different employees, it indeed becomes necessary to actually make use of standards. For example, if a chef is working on a French fry recipe and the minimum and maximum yield given by the hotel is pre-determined, then if there is any deviation in the yield of the French fries then it can be corrected by using the standards to measure that how much wastage is going on and what should be done to reduce it. This comes under yield management standards.

2.4 Standardization helps in boosting Morale of employees

An unhappy workplace can lead to many health-related issues like heart disease and psychological issues like depression (Novotney, 2010). And it can be said that if a workplace has someone who is not fit because of any of the above-mentioned disease, it is not possible to carry out day to day tasks and will bring about hindrance in the growth of the organization. (McIntyre, 2009) Walter McIntyre in his book *Lean and Mean Process Improvement* mentioned that if the standards laid out by an organization are managed wisely, it can actually help in building a relationship between the employees and the work processes incorporated. This particular relationship can tend to be highly beneficial for the organization as this has the efficiency to amplify the sense of ownership and pride in the quality related to the work performance. The outcomes of it being boosted morale and increased productivity. (Conduit Consultant Team,) If the procedures are administered by the given set of standards that are designed in a way that they could streamline employees to do quality-oriented and efficient work, the probability of employees being proud and owning what they do is high. Rather than going directionless, employees here have steps by following which, the assigned tasks can easily be accomplished which results in higher employee morale. This establishes the relationship between standards and employee morale being directly proportional and in practicality is about the employees taking pride and getting motivated by the means of achievement. For instance, if a chef in a hotel follows the exact recipe (considering the recipe to be apt) as prescribed in the standards, the chances of the dish turning out to be good are high. This can make the guest delighted as the guest is also getting the same quality each time and in return, chef is also getting motivated by the feedbacks for the dishes being good. (Krysalisco Team,) In a document published by Krysalisco team, it is mentioned that implementation of standardization helps in mitigating frustration as well as humiliation that comes as a result of inadequate work.

2.5 Standardization as the key to perfecting customer service and customer retention:

Although there are various definitions of customer satisfaction which are based upon various factors and degrees, the aspect related to an individual of customer satisfaction can be how a customer reacts to the product or the services that are received, an opinion if the product or services complying with the need of the customer and finally feeling the sense of acquisition of the product (Customer satisfaction — Meaning and methods of measuring, 2011). The standards are laid out in a way that the needs of the customer are

taken care of whether it is a product or a service. (Caldwell, 2020) Customer retention can be looked upon as a process which aims at convincing its customers to continue the act of buying/ purchasing their products or services. This can be made possible either by introducing over the top discounts or by attitudinal or goodwill related impact or through the maintenance of quality and quantity by applying standards into the process that makes it better from the products offered by the competitors. Not only does the standardization helps in customer retention and satisfaction but in the study followed by (Gandolfo, 2010), it was mentioned that with the increase in demand of services that are linked to travel and tourism, the expectations or in other words, demand by the guests for constantly upward moving standards also increases. This leads to enforcement of competition amongst those brands who are into delivery of such services and also makes the destination more striking to the audience which is due to the same abundance of standards laid down. (Crespi, 2020) has mentioned that how detailed the standards in a hotel can be, given below are some of the details in the standards that are laid out, keeping in mind the satisfaction of the guest:

- The way an employee enters in a guest room depending upon each situation: the time frame, situation like DND, etc.
- The right set of words and salutations used while referring to a guest.
- The ideal cleaning method that should be incorporated according to each strain is also mentioned.
- The chronological order of cleaning, service, preparation time, service time, redressal time, revert time, etc. are also pre- defined.

3 Conclusion

From the above-mentioned points, it can be said that the role of standardization in the growth of Hospitality industry is massive as the factors that we have discussed upon are quite important while running a hotel or any scale of business in the associated industries. The fixed ratios, proportions, SOPs, Standard Purchase Specifications, fixed cost price, fixed selling price, procedures/methods, chronological sequence of action and many other aspects are under the umbrella of standardization. These are the reasons behind 24X7 unmatched services and products being made available within the industry. Without the need of making changes according to the new employ or new superior hired, the standards can be taught to that employee instead of changing own system according to his or her will. In this case also, the standardization is the tool, otherwise the customer or guest will not get the services that represent brand but will get the services that represent the employee, which is not good for the brand building over-time. Also, when standards are followed, it is not tough for the organization to answer to any of the query raised by the guest regarding any product or service. (Frost,n.d) Also, there is a requirement of comparison in the performances, which can be done based upon the variance from the ideal as described in the given protocols by the organization. This can be conclusive of the fact that measurability can be incorporated with the help of standardization. (CEB-BEC,n.d) Increasing the number of products that are standardized, also increases your market potential significantly as a lot of countries show interest in the advantages of standardization. (International Hotel Consulting Services,n.d) IHCS has mentioned the importance of standards in saving time too as once the standards are designed and ready, as per the needs and demand of the hotel, SOPs/ Standards can be allowed to take the charge of the organization's system. HMG Hospitality Team (2016), HMG Hospitality Team stated that when the hotel runs hassle free, it is visible and the guests can actually feel it from the atmosphere. The energy that is liberated by a peaceful and organized hotel is enjoy-worthy and soothing for the guest. On the other side, the energy of a place that is chaotic and unorganized, the feeling that the guest is going to get will not be pleasant. As we have discussed that standardization brings about more organized decisions, it can hereby be concluded that guest will be more satisfied at a hotel

which has standards fixed and have hassle free functioning. (EDUCBA Editorial Team,) Standardization is a process which nowadays is widely used in sectors like food, service, healthcare, real estate and what not. It facilitates the development of products that require a given set of guidelines, rules and policies, abiding which quality of products and services can be maintained which elevates the growth of a brand or an organization.

4 Suggestions

It is quite evident from the given points that standardization do play a major role in many direct and indirect ways and have helped in shaping the industry as it is now. However, along with the standardization, it is important to make certain amendments keeping standards in mind. Given below is the list of suggestions:

- Although standards are necessary and having loopholes in the standards can lead to big issues in the organization, but when it comes to guest service and delivering products according to the guest, sometimes, liberty to the employee shall also be given so as to deliver the best of the product or service depending upon the scenario.
- There are standards laid out for each and everything in this advance and dynamic time, however the frequency of checking if everyone is following those standards is quite less in practicality. There should be thorough eye if these standards are followed throughout the year with same level of dedication and accuracy.
- Creativity should never be downgraded or underestimated in front of standardization as both of these aspects run hand in hand and incorporation of both is very much important else everything will turn to be monotonous.
- Standards are although made for a fixed period of time but as the technological and social reforms are more rapid nowadays, industry and hotels require to make amendments in the standards more frequently.
- Standards in the hotel are although well structured, however, incorporating internationally accepted standards more into the company's own system will certainly benefit the organization.

5 Declarations

5.1 Competing Interests

No potential conflict of interest was reported by the authors.

5.2 Publisher's Note

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