Influence of quality management system ISO 9001 at hotel business practice in Croatia

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The International Organization for Standardization has set up standard ISO 9001 as international standard for Quality Management System. The aim of this paper is to determine the influence of ISO 9001 on marketing and operational performances, just as well as on human resources management, in hotel business practice in the Republic of Croatia. Empirical research has been carried out for this purpose including a post inquiry on the sample of 350 hotels in the Republic of Croatia and interviews with the managers in 25 hotels which have implemented ISO 9001 in their business practice. We have used descriptive and inferential statistics including Chi-square testing to analyze the used data. The results of the research carried out in Croatia show the positive influence of Quality Management System ISO 9001 on marketing, operations and human resources management in the hotel business practice in Croatia.

Keywords: hotels, Croatia, ISO 9001, implementation, practice

1. Introduction

Lead in cost control applied out of necessity (due to undeveloped market) by the Croatian hotels in the 1990’s brought short-term increased profitability (i.e. reduced losses). However, exclusive application of this strategy is not sustainable long-term because of its negative implications in terms of degeneration of hotel product. Focusing solely on the strict control of operational expenses leads to the reduced quality of hotel products (most visible in the field of service quality, i.e. reduced number of the employees and in the food and beverage department, supply of cheap victuals regardless of their quality) which reflects, in terms of development, the lack of innovations. Consequently, there is a lack of development of new products and significant reduction or complete absence of caring about advancing the quality of a product. The most important problem of hotel industry in Croatia is how to find the way of offering high value and differentiated product (Čižmar 2007, pp. 153–154.) as well as new investment (Čižmar et al 2010, p. 1.).

The fact is reinforced by low competitiveness in the Croatian hotel industry which significantly lags behind when compared to the hotel industry of Spain, Italy or France, i.e. it has poorer performance than the competitors in the above tourist destinations. Given the conditions of Croatian hotel industry and their low competitiveness level, the need for changing low cost strategy by more efficient approaches arises, as well as the need for proactive business approach based on the increased quality of hotel product in the Republic of Croatia, which will improve the indicators of business success of Croatian hotel industry. The increase of tourist satisfaction with the Croatian hotel products, which are compatible with their preferences and expectations, will result in the increase of their loyalty to the Croatian hotels. ISO 9001 is the standard for Quality Management System maintained by ISO, the International Organization for Standardization. ISO 9001 is applied by numerous enterprises in the industrial and the service sector in the world.

The research carried out in Croatia shows that the largest share of quality certificate in 2000 and 2001 (Drljača 2003) was in the field of electric machine and appliance production,

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1 This study is part of a doctoral dissertation. Thanks to the support of Croatian hotel managers without whom it would not have been possible to carry it out.
non-metal products, shipyards, food and beverage production and maritime transport, i.e. among the companies exposed to the high competitiveness levels of international markets. Analyzing the success of 400 big companies, Drljaca (2004) concludes that there is a correlation between company success and ISO 9001 implementation; however, there is not a single hotel among the most successful companies. Likewise, not a single hotel company has implemented Quality Managing System 9001. In the research conducted on the sample of 550 companies there were 36 hotel companies and restaurants (7%). Dumicic (2004, pp. 53–56.) concludes that only 2% of the hotels have the quality certificate ISO 9001, while 11% of the hotels take consulting services when implementing Quality Management System ISO 9001.

For the purpose of this paper we have come up with the following hypothesis:

\( H1: \) International Standard ISO 9001 is not widely implemented in Croatian hotel industry;

\( H2: \) Implementation of Quality Management System ISO 9001 improves marketing performances in Croatian hotel industry;

\( H3: \) Implementation of Quality Management System ISO 9001 improves operational performances in Croatian hotel industry;

\( H4: \) Implementation of Quality Management System ISO 9001 improves human resource management performances in Croatian hotel industry.

We have used descriptive and inferential statistics including Chi-square testing to analyze the used data. Empirical research has been carried out for this purpose including a post inquiry on the sample of 350 hotels in the Republic of Croatia, secondary data from the Internet, and interviews with the hotel managers of the hotels possessing the certificate ISO 9001. The study focuses on the experience of 16 hotels that have implemented Standard ISO 9001. The measure we have used in our research is a five-point Likert scale.

2. Advantages of companies that have implemented quality managing system ISO 9001

The certificate ISO 9001 proves that the company possessing it respects all the international and national quality standards, and regularly surveys the quality system that has been incorporated in its business practice. According to the Quality Standard ISO 9001, a correctly implemented and completed quality system brings certain internal and external advantages to the company (Injac 2002, pp. 134–142.). However, it is necessary to emphasize that the benefit amount is directly proportionate to the success of implementation and commitment of all employees (Lazibat 2005, p.150.). Beside the need to emphasize the advantages and benefits arising from the implementation of Quality Management System ISO 9001, we need to be aware of its downsides, as well, which are the same in the hotel industry as in other industries. According to the research results, the implementation of Quality Management System ISO 9001 in hotel enterprises increases paperwork; it is time demanding, causes additional costs. The process is also somewhat difficult for the hotel staff to accept (Pavlic–Dragicevic 2008).

The researches undertaken by Rayner–Porter (1991, pp.16–18.) state that one of the advantages of ISO standard implementation is improved marketing performance. In the research involving 29 companies in the US, Adamur–Allen (1995) state that the main advantages of ISO 9000 implementation are improved business efficacy, higher consumer satisfaction and increased competitiveness. In the research including 150 textile companies, Atwater–Discenza (1993) found out that the implementation of ISO 9001 influences higher employee commitment, reduces production costs, reduces the sales of low and inferior quality products. Calisir et al (2005) report in their research, including 43 ISO certified companies in
Turkish textile industry, that the main advantages relating to increased product quality, reduced mistakes in production and increased market share. Urbonavicius (2005) points to the advantages of ISO standard implementation in the business practice of small and medium enterprises in the EU, which are reflected on some marketing and management benefits.

The researches carried out in the field of service industry have proved the positive effects of Standard ISO 9001 implementation (Augustyn–Pheby 2000, Wang et al 2001, Levett 2005, McAdam–Fulton 2002, Feinberg et al 2003, Calisir 2007). The hotels that have implemented ISO 9000 have reduced labour turnover and losses, and improved publicity (Callan 1992) Walker–Salameh (1996) report on the positive changes reflected on some operational aspects and in staff turnover, enthusiasm, cooperation, communication and employee satisfaction. Nield–Kozak (1999) come to the conclusion that the implementation of ISO 9001 brings numerous advantages in terms of operations, i.e. improved operation systems and reduced costs; marketing, i.e. increased consumer satisfaction, increased competitiveness, higher nation-wide recognition; human resources management, i.e. decreased staff turnover and increased employee satisfaction. Ingram–Daskalakis (1999) and Costa (2004) state that quality has become the key factor in hotel business practice due to increased competitiveness.

3. Results of research carried out in croatian hotel industry and discussion

3.1. Level of ISO 9001 implementation in Croatian hotel industry

For the purpose of this research a hotel company is being defined as an elementary unit for the sample. The final set of units consists of target population, or in other words the basic set which is to be examined as a set of small, medium-size and large hotel companies registered in Croatia. The implementation data were collected by post inquiry using the sample of 350 hotels chosen by the generators of random numbers selected from the basic group of 650 hotels. We have also used secondary data from the Internet to complete the list of hotels possessing ISO 9001 certificate and carried out the interviews in the hotels that have implemented ISO 9001. For the purpose of this research, we have used the data referring to the status of ISO 9001 in a hotel and features of those hotels that have implemented the Standards, as well as of those only aiming to implement it. We will also show the number of hotels per county in Croatia depending on the status of ISO 9001 implementation, hotel category, ownership status, number of employees.

According to the research results, Quality Management System has been implemented in 25 hotels in Croatia. However, we have received feedback information from only 21 hotels. The research results show that the largest number of hotels that have implemented ISO 9001 (33 %) are located in Istria County, followed by the Dubrovačko-Neretvanska County (29%) and (23%) in Primorsko-Gorska County. Only 5% of the hotels are in Krapinsko-Gorska County, Sisačko-Moslavacka and Zagreb County. The majority of hotels planning to implement Quality Standard ISO 9001 are located in Dubrovnik-Neretva County (50%) and in Primorsko-Gorska County (25%). According to the research results, it arises that the awareness level regarding quality improvement is the highest in Istria, followed by Dubrovnik-Neretva County and Primorsko-Gorska County. It also arises that the number of certificates in Dubrovnik-Neretva County will significantly increase in near future.

Having analyzed the type of ownership of the hotels that have implemented ISO 9001, we have concluded that the majority, i.e. 70% is in private ownership. The majority (75%) of those planning to implement ISO 9001 are privately owned hotels, as well. A smaller share of hotels (30%) is state-owned. We can conclude that there is a correlation between the ownership and implementation of Quality Management System ISO 9001 and that ISO 9001 is mostly implemented in privately owned hotels. It also arises that private hotel managers
pay more attention to product quality and have a higher level of quality awareness than the managers in state-owned hotels. There is a need for improving education and awareness level of hotel managers in state-owned hotels. The low level of awareness concerning the importance of quality is the consequence of non-market way of thinking and common misperception according to which the quality of service and guest satisfaction are less important.

The largest number of hotels that have implemented ISO 9001 are three-star hotels, while four-star hotels represent a significant share of 29%. The implementation of Quality Management System ISO 9001 in two-star hotels (19%) shows that hotel managers apply this quality system in low quality hotels, as well. The system has also been implemented in high quality hotels, i.e. in five-star-hotels, representing the share of 9%. The largest number of the hotels planning to implement ISO 9001 is three-star-hotels, which is not unusual given the structure of hotel offer. It is also indicating the increased awareness level of the three-star hotel managers when it is about the quality. The encouraging fact is that some managers plan to introduce the quality system in two star hotels given that the implementation of ISO 9001 is not limited by the hotel size or category. The share of high category class with four or five stars is significant since some 36% of them plan to implement Quality Management System ISO 9001.

Analyzing the data related to the number of employees in the Croatian hotels which have implemented ISO 9001, it arises that the majority employs between 140 and 170 employees (40%). The share of hotels employing more than 200 people is represented by the significant figure of 20%. Likewise, the analysis of data concerning the hotels planning to implement ISO 9001 indicates that the largest number, i.e. 25% of hotels have up to 20 employees, 38% of hotels have 51 to 110 employees, while nearly 12% of hotels have 20 to 50, 141 to 170, and 201 to 230 employees. The implementation of ISO 9001 is being planned in small as well as in medium and big hotels. It arises that hotel managers in Croatia understand that the implementation is possible and desirable in both small and medium size hotels.

3.2. Influence of Standard ISO 9001 on business success of Croatian hotel industry

3.2.1. Research methodology

We have studied the experience of all Croatian hotels that have implemented Quality Management System ISO 9001 using the method of structural interview. It included 25 hotels in Croatia. The focus of the empirical research was on top managers. Unfortunately, only 16 hotel managers were willing to take part in the interview. The first group of questions in the structural interview with the managers of hotels that have implemented ISO 9001 concerned demographic information on the hotel managers themselves. The second group of questions concerned marketing benefits, the third group of questions concerned operational benefits and the last group of questions concerned human resources benefits. The method of measuring used in our research was a five-point Likert scale. Number one signifies the lowest and number five the highest level of influence of Quality Management System ISO 9001. We have used the inferential statistics methods of Chi-square testing to analyze the data.

3.2.2. Managers’ characteristics

All the managers participating in the research concerning the hotels hold a university degree. Therefore, we can conclude that there is a correlation between the education level of hotel managers and ISO 9001 implementation. The data referring to the age of managers show that 64% of managers are older than 50, only 5% are between 31 and 35 and 31% of managers are between 21 and 25. Analyzing the length of service of managers it arises that the majority,
64% has longer work experience, i.e. 31-35 years of service, 5% of managers have between 10 and 15 years of service and 31% have up to five years of experience. According to the research results we conclude that the length of service is an important factor influencing the implementation of ISO 9001. The experience of managers has enabled them to realize the importance of continuous improvement of the quality of hotel product.

3.2.3. Influence of ISO 9001 implementation on marketing performance of Croatian hotels

Possessing the certificate ISO 9001 represents an advertising tool by itself, and it may contribute to the increased visibility of hotels on international markets (Nield–Kozak 1999, p. 43.). We have asked hotel managers to assess national visibility of Croatian hotels that have implemented ISO 9001. Sixteen hotel managers assessed the national visibility in the hotels before and after the implementation of Standard ISO 9001, as shown in Table 1. Given the empirical value \( \chi^2 = 19.194 \) (\( \alpha = 0.05 \)), the applied \( \chi^2 \) test of independence of variable shows that there is a correlation between the implementation of ISO 9001 and improved visibility of the Croatian hotels possessing the certificate on international markets. Given the research results, we may conclude that hotel companies in Croatia have improved visibility on international markets after the implementation of the Quality Management System ISO 9001 as hotels are recognized as quality operators. Creating brands leads to increasing customers and partners’ sensitivity towards certificated hotels.

Table 1. Assessment of visibility of Croatian hotels before and after ISO 9001 implementation

<table>
<thead>
<tr>
<th>Period</th>
<th>1-very low</th>
<th>2-low</th>
<th>3-medium</th>
<th>4-satisfactory</th>
<th>5-very satisfactory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before ISO 9001 Implementation</td>
<td>–</td>
<td>–</td>
<td>6</td>
<td>10</td>
<td>–</td>
<td>16</td>
</tr>
<tr>
<td>After ISO 9001 Implementation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>16</td>
<td>–</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: own construction

According to the results of the research carried out in Croatian hotels shown in Table 2, sixteen managers assessed the influence of international standard ISO 9001 on advertising of the hotels. Given the calculated empirical value \( \chi^2 = 10 \) (\( \alpha = 0.05 \)), the applied test of independence of variable shows that there is correlation between the implementation of ISO 9001 and the possibility for advertising using certificate ISO 9001 itself. It is possible also to improve the promotion of certified hotels in cooperation with Tour Operators, given that the Tour Operators already cooperate with the certified hotels and sell and advertise Croatian tourist products on tourist markets. Tour Operators fill nearly 70% of the hotel capacities in the Republic of Croatia (Čižmar 2007). The hotels do not sufficiently use the advertising possibilities using certificate itself, especially using Internet that can further improve advertising.

Table 2. Assessment of ISO 9001 influence on advertising

<table>
<thead>
<tr>
<th>Period</th>
<th>1-very low</th>
<th>2-low</th>
<th>3-medium</th>
<th>4-satisfactory</th>
<th>5-very satisfactory</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before ISO 9001 Implementation</td>
<td>–</td>
<td>1</td>
<td>11</td>
<td>4</td>
<td>–</td>
<td>16</td>
</tr>
<tr>
<td>After ISO 9001 Implementation</td>
<td>–</td>
<td>–</td>
<td>7</td>
<td>9</td>
<td>–</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: own construction
According to the results of the research carried out in Croatian hotels presented in Table 3, sixteen managers assessed the position of the hotels before and after ISO 9001 implementation. Based on the empirical value \( \chi^2 = 32 (\alpha = 0.05) \) and by the means of \( \chi^2 \) test of independence of variable, we have established that there is a correlation between the implementation of the Quality Management System ISO 9001 and positioning of Croatian hotels in relation to competitors. The results of the research conducted in the hotels that confirm that the implementation is the foundation for ensuring high quality service which contributes to better positioning of Croatian hotels in relation to competitors. This is important since the market position of Croatian hotels is not satisfactory.

| Table 3. Assessment of positioning of Croatian hotels in relation to competitors before and after ISO 9001 implementation |
|---|---|---|---|---|---|---|
| Period | 1-very low | 2-low | 3-medium | 4-satisfactory | 5-very satisfactory | Total |
| Before ISO 9001 Implementation | – | 1 | 15 | – | – | 16 |
| After ISO 9001 Implementation | – | – | – | 11 | 5 | 16 |

Source: own construction

Sixteen managers participating in the interview, assessed the image of Croatian hotels before and after the implementation of Standard ISO 9001 as per Table 4 Given the empirical value \( \chi^2 = 22 (\alpha = 0.05) \), the applied \( \chi^2 \) test of independence of variable shows that there is a correlation between the implementation of ISO 9001 and better image of the hotels. Considering the fact that Croatian hotels have worse image than their foreign competitors, the implementation of ISO 9001 may contribute to the improved perception of Croatian hotels on international markets. The improved image is one of the factors that may contribute to better positioning of hotels on international markets and improved cooperation with business partners, especially reputable mass Tour Operators and specialist Tour Operators covering important emitting tourist markets.

| Table 4. Assessment of the image of Croatian hotels before and after ISO 9001 implementation |
|---|---|---|---|---|---|---|
| Period | 1-very low | 2-low | 3-medium | 4-satisfactory | 5-very satisfactory | Total |
| Before ISO 9001 Implementation | – | 1 | 9 | 6 | – | 16 |
| After ISO 9001 Implementation | – | – | – | 4 | 12 | 16 |

Source: own construction

3.2.4. Influence of ISO 9001 implementation on operational performance of Croatian hotel industry

The results of empirical research show that out of sixteen managers participating in the interview, nine managers rated introduction of new technologies in the Croatian hotel business practice before the implementation of ISO 9001 as medium, six managers think that it is satisfactory while one manager rated it as low. When assessing the introduction of new technologies in business practice of the Croatian hotels after the implementation of Standard ISO 9001, twelve managers rated it as very satisfactory and four interviewees rated it as satisfactory. Based on the calculated empirical value \( \chi^2 = 22 (\alpha = 0.05) \), the applied \( \chi^2 \) test of independence of variable shows that there is a correlation between the implementation and the
introduction of new technologies in the hotel business. The current state of the Croatian hotel industry requires introduction of new technologies and replacement of existing technologies by the new ones.

The results of the research carried out show that nine managers assessing business process control in the hotels before the implementation of ISO 9001 rated it as medium, and seven managers rated it as low. Assessing business process control in the hotels in the after the implementation of Standard ISO 9001, ten managers rated it as satisfactory, while six interviewees rated it as very satisfactory. Given the empirical value $\chi^2 = 32$ ($\alpha = 0.05$), the applied $\chi^2$ test of independence of variable shows that there is a correlation between the implementation of Standard ISO 9001 and better business process control in the hotels in.

Given the unsatisfactory structure of hotel workforce, especially in the hotels operating seasonally, a strengthened business process control would enable the avoidance of failures and the reduction of mistakes. Similarly, waiters, cooks and receptionists, i.e. the staff representing a significant share of Croatian hotel workforce is very much lacking professional training.

More precise job descriptions would enhance the daily performance of the duties. Fifteen hotel managers assessing the preciseness of job descriptions in hotels before the implementation of Standard ISO 9001 rated it as medium and one manager rated it as low. Assessing the preciseness of job descriptions after the implementation, eleven managers rated it as satisfactory and five managers rated it as very satisfactory. Given the empirical value $\chi^2 = 32$ ($\alpha = 0.05$), we may conclude that the applied $\chi^2$ test of independence of variable shows that there is a correlation between the implementation of Standard ISO 9001 and more precise job descriptions in the hotels. Better organization of work processes and more precise responsibility of job descriptions may increase productivity and client satisfaction in the hotels of Croatia.

3.2.5. Influence of ISO 9001 implementation on human resources management in Croatian hotel industry

Implementation of Quality Management System ISO 9001 leads to the increased employee satisfaction of hotel staff (Nield–Kozak 1999, p. 43.). According to the opinion of sixteen hotel managers, employee satisfaction in the Croatian hotels before the implementation of Quality Standard ISO 9001 is medium satisfactory. Rating the employee satisfaction after the implementation, five managers rated it as very satisfactory and four managers rated it as medium satisfactory. Given the empirical value $\chi^2 = 19.2$ ($\alpha = 0.05$), the applied $\chi^2$ test of independence of variable shows that there is a correlation between the implementation of the International Standard ISO 9001 and increased employee satisfaction. The study findings suggest that employees play significant role regarding customer satisfaction and that there is a relationship between employee satisfaction and financial performance (Chi et al 2009).

The communication between different hotel departments influences the quality of integral hotel products. Regardless of the methods used to facilitate the communication, managerial responsiveness to employee concerns represents an important element for the relationship of managers and superviseds. Employee morale can actually decrease with raised expectations (Testa 2001). In the research carried out in the Croatian hotels that have implemented ISO 9001, the hotel managers evaluate employee communication. Sixteen interviewees assessing the improvement in communication among the employees before the implementation of Standard, rated it as medium satisfactory. Assessing this factor in the hotels after the implementation of ISO 9001, six managers rated it as very satisfactory and four managers as medium satisfactory. Given the empirical value $\chi^2 = 19.2$ ($\alpha = 0.05$), shows that there is a correlation between the implementation of ISO 9001 and improved communication among the employees in Croatian hotels.
When managers are “not in touch” with other employees, they make poor decisions, while the employees show high number of absent, low commitment and they cause conflicts (Yammarino–Atwater 1997). No less than 15 interviewed managers, when assessing employee participation in decision making in the hotels before the implementation rated it as medium satisfactory, while 1 hotel manager rated the current situation as low. Assessing employee participation in decision making, after the implementation, all the hotel managers participating in the research rated it as satisfactory. Given the empirical value $\chi^2=32$ ($\alpha=0,05$), it is obvious that the implementation of the Standard improves staff participation in decision making in Croatian hotels. Improvement in communication prevents mistakes and reduces the probability of repetition (Chattopadhyay 2001, p. 38.).

Professional development in hospitality industry aims at constant upgrading of knowledge and professional skills (Christou 1999). Guest perception of service quality is dependent on the skills of hospitality employees, i.e. knowing how to meet customer needs (Hallin–Marnburg 2008, p. 379.). Fifteen interviewees assessing professional skills and knowledge development in the Croatian hotels before the implementation of Standard ISO 9001 rated it as medium satisfactory, while one manager rated the current status as low. Assessing professional skills development after the implementation seven managers rated this factor as very satisfactory and nine as satisfactory. Given the calculated empirical value for the above data $\chi^2 =32$ ($\alpha=0,05$), the applied $\chi^2$ test of independence of variable shows that there is a correlation between the implementation of Standard ISO 9001 and improved professional skills and knowledge development in Croatian hotels.

4. Conclusion

This study examined the level of Quality Managing System ISO 9001 implementation in the Croatian hotel industry and the influence of ISO 9001 on the Croatian hotel business performances. The findings of the study show the lack of strategic orientation towards quality management. Although there are some positive movements, the current state of ISO certificates in Croatian hospitality is shown to be unsatisfactory. That is the consequence of long existing non-market business practice which kept neglecting the quality of hotel products. The study also shows that there is a correlation between ISO 9001 implementation and education level of hotel managers and therefore, continuous upgrading of education levels and awareness raising among hotel managers and initiating the implementation in all the hotel categories is necessary, especially in the state-owned hotels.

The study shows that there is a correlation between the implementation of Quality Management System ISO 9001 and the international visibility of Croatian hotels, as hotels are recognized as quality operators. Creating brands leads to increasing customers and partners’ sensitivity towards certificated hotels. The results of the research also show that the implementation of ISO 9001 influences the advertising of hotels in the Republic of Croatia. Croatian hotels could also use the possibilities of self-promotion better, by highlighting the possession of quality certificate, which is a useful advertising tool by itself. The study also shows that ISO 9001 influence a better image and hotel positioning in relation to competitors, which is particularly important, knowing that Croatian hotels have worse image and are worse positioned on international markets than their foreign competitors.

The implementation of Quality Managing System ISO 9001 influences better introducing of new technologies in the hotel business practice in Croatia. The current state of Croatian hotel industry requires the introduction of new technologies and the replacement of the existing ones by modern technological solutions, so as to become more competitive on international tourist markets. The results of research also show that there is a correlation between the implementation of ISO 9001 and better business process control and more precise job descriptions.
According to the results of the study, the implementation of Quality Management System ISO 9001 increased employee satisfaction, such as improved employee communication in hotels in the Republic of Croatia. The increased level of employee satisfaction is extremely important since it is reflected on the quality of hotel service and client satisfaction. Better communication of the employees in a hotel advances the quality of hotel products and strengthens the linkages among the accommodation department, the reception, the food and beverage department, and all the other hotel departments. The implementation of Standard ISO 9001 implies that all the employees contribute to the increased quality of hotel products and the better linkages between hotel departments. The study also shows that ISO 9001 influences the increased employee participation in decision making in hotels in the Republic of Croatia. Furthermore, the results of the research show that there is also a correlation between the implementation of Standard ISO 9001 and improved professional skills and knowledge development in Croatian hotels. The latter is important considering the low level of education of the staff in Croatian hotels, including the hotel managers (Avelini-Holjevac 2002, p. 430.; Brajdic 2000). Seasonal workforce often lacks competence for performing specific jobs. Continuous professional formation and the level of training are still lagging behind in Croatia.

Unfortunately, the research is limited by the lack of analysis of the influence of Quality Management System ISO 9001 on the investment policy indicators, such as share profit (EPS), dividend per share (DPS), dividend payout ratio (DPR), price and earnings ratio (P/E), total share profitability, dividend profitability of shares and financial policy indicators, all missing due to the lack of data. This sets a direction for a future research in this field. Based on the data at disposal and research results, all the above hypothesis proved acceptable and we may conclude that there is a correlation between Quality Management System ISO 9001 implementation and business success of hotel companies which have been implemented Standard ISO 9001 in the Republic of Croatia. The results of this research may be used for scientific purposes, and may give impetus to the hotel managers for the implementation of Quality Management System ISO 9001 in a larger number of hotels which would bring numerous benefits not only to the hotels but to entire community.

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