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# Total Quality Management in Luxury Hotels: An Application of European Foundation Quality Management Model in Luxury Hotels in Paphos Cyprus

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## **1 INTRODUCTION**

The total quality in luxury hotels is the biggest part of the success and long-term recognition of customers. As Camison (1996) said the quality is shaped at present as a fundamental strategy for the support and improvement of competitiveness. Many studies involved with total quality management in hotels industry with different models like the first award 'Deming' was establish in Japan in 1951, the Malcolm Baldrige award was created in the USA in 1987 and followed in Europe in 1991 the European Foundation for Quality Management together with the European Organisation for quality and the European Commission in order to improve the quality and reliability of services and products (Camison, 1996).

Hence, the objective of this research was to find out the total quality management in luxury hotels with the application of the European Foundational Quality Management (EFQM) excellence model. Also, based from this framework was find out the hotel managers experience with the quality management and systems. This study purpose was to analysed and compared the total quality management practices of luxury hotels in Paphos using the five EFQM excellence criteria; leadership, policy and strategy, people, partnership and processes, as a framework to conduct the interviews and the twenty four subcriteria. Also, there was a whole analysis of the importance and challenge of each criteria and subcriteria due to observation the general hotel manager's opinion and knowledge.

In the chapters of this study included the literature review with findings from almost similar surveys which done in the past and what other authors said about the total quality management. In the methodology chapter included the justification of chosen methodology and the research tools and also how the interview questionnaire was done. In the research used qualitative research and excels analysis about the importance and challenge ratings about criteria and subcriteria. Moreover, the next chapter the findings and results are based from general hotel manager's interviews and some also some discussions. Also, in the same chapter showed graphs analysis from the ratings of general hotel managers about importance and challenge of each criterion and subcriteria of the EFQM model. In the last chapter included the conclusions and recommendations about these topic and the results that was found. The hotel managers was analysed their experience and how they use these criteria in their hotel structure and as a result they were very progressive and high skilled in order to apply it as well as they can.

## **2 LITERATURE REVIEW**

### **2.1 THE TERM OF TOTAL QUALITY MANAGEMENT**

«Total quality management is an approach to management that focuses on quality as the key to success» (Saunders et al, 1992). The factor of quality in the most industries is the key to have success, recognition, motivated employees and satisfaction of the customers. Focus on the customer and creation of a good team is meaning an overall quality structure and situation. Also, total quality management is the key to create a competitive advantage and get the first impression of each customer. Every customer wants to receive what it's expect in order to keep satisfy its needs and specifics (Cheng-Hua et al. 2012).

In every business environment, general managers have different opinions about quality and how to give it to the customers. Their strategies and competitive advantages help them to create a quality level in order to have a position in the competitive environment. Most of the companies invest in the quality factors because it is a strong advantage which can make them profitable and positively identifiable to the general public (Cheng-Hua et al. 2012).

Montes et al. (2003) emphasized on five generic constructs which are: a) managerial leadership and commitment, b) human resources management, c) the relationship between customers and suppliers, d) internal organisational structure and e) process management. These generic constructs emphasized on the performance of total quality management and specified that in every single department has to be the factor of quality management.

#### **2.1.1 DEVELOPMENT OF THE PRINCIPLES OF TOTAL QUALITY MANAGEMENT**

Total quality as a philosophy is characterized by principles, practices and techniques from many authors in business articles. These three principles are customer focus, continuous improvement, and teamwork which considered the core of the term total quality (Dean and Bowen, 1994). Each principle is implemented through a set of practices, which are simply activities such as collecting customer information or analysing processes.

As Prajogo and Sohal (2006) said the total quality management has two competing arguments. The first argument suggested that TQM is positively related to innovation performance because it established a culture and system that will provide a wall environment for companies to innovate. On the other hand the other argument suggested that the implementation of TQM principles and practises could hinder organisations from being innovative. These opposite options can be different in each organization instead of different opinions and personalities among directors. In many companies and hotels managers working differently others with quality others with not and with some unbelievable reason they have profits. Also,

total quality management mediated the relationship between differentiation strategy and the three performance variables – product quality, innovation and process innovation (Prajogo and Sohal, 2006).

### **2.1.2 FAILURES AND OBSTACLES OF ADOPTING TOTAL QUALITY MANAGEMENT**

Implementing total quality management in one organisation constitutes a strong competitive advantage but on the other hand there are some problems and failures in the way to obtain the possible result. Firstly, is the resistance to change which only managers with the feeling of risk and development can do it. Also the lack of experience in quality management is another failure and the lack of resources. Finally the emphasis on short term objectives and the lack of strategies and overall objectives are also important problems which face the continuous improvement of total quality management (Yusof et al., 2000).

### **2.2 CRITICAL SUCCESS FACTORS IN TOTAL QUALITY MANAGEMENT**

Powell (1995), indicated that total quality management is an integrated management philosophy and set of practises that emphasizes continuous improvement, meeting customers' requirements and needs, reducing rework, increase employee involvement and teamwork, a team based control with problem solving and closer relationships with suppliers in order to increase the good public relations. All these practises motivate companies to be productive and legal to the customers in order to keep them satisfy with the best results. Days by days total quality management has become one of the possible strategies in organisations because it is their strong advantage.

As Powell (1995) analyse in the case study the twelve Total Quality Management Factors are specific and important for any organisation around the world. These factors are the following:

1. Committed leadership: long term commitment by top managers to the philosophy, usually under a situation of Total quality management or quality improvement.
2. Adoption and communication of TQM: using tools like the mission statement or vision or some slogans.
3. Closer customer relationships: determining customer's needs inside and outside of the organisation in order to be satisfy.
4. Closer supplier relationships: working closely and cooperatively with suppliers in order to ave a strong relationship between businesses and win both of them.
5. Benchmarking: research and observe of some competitive practises.
6. Increased training: includes TQM principles, team skills and solve problems.
7. Open organisation: empowered work teams, lean staff, create communication and relationships.
8. Employee empowerment: increased employee involvement in design and planning and get autonomy in decision making.

9. Zero – defects modality: a system in place to spot defects as they occur, rather than through inspection and rework.
10. Flexible manufacturing: just in time inventory and statistical process control.
11. Process improvement: reduced waste and cycle times in all areas through process analysis.
12. Measurement: goal orientation with performance measurement.

Critical factors motivated the organisations to use them in TQM from key quality awards such as the Deming Prize in Japan, the Malcolm Baldrige National Quality Award in the U.S. and the European Quality Award which can see in the following part. From these awards can understand which companies are the best in quality management practises. Companies and hotels are used to use these TQM factors in order to be familiar and famous in the eyes of customers and receive positive points for their organisation.

These criteria were first developed in 1987, and have since been updated and developed as the basis for assessing a Total Quality Management system. The criteria are based on a seven-part model whose fundamental structure has remained largely unaltered since 1987 (see Figure 1), although the detail has evolved. The model is important in the way it links external goals and measures (e.g., Customer Satisfaction and Business Results) with the leadership and internal system incorporated in an organisation. Other organisations have since used the award assessment guidelines as a framework for developing their own TQM system (Black and Porter, 1996).

### **2.2.1 CRITICAL SUCCESS FACTORS IN USA, INDIA AND HONG KONG**

In order to see the difference of the critical factors in each area of the world will be analyse the critical factors in USA, India and Hong Kong. Based on researches authors believe that in each individual Epirus or country, large and small companies implement different critical factors in order to apply the overall situation of Total Quality Management.

In the USA as Saraph et al (1989) said, the critical success factors that they used was the top management leadership, the role of the quality department, training, product design, supplier quality management, process management, quality data reporting and employee relations.

The critical success factors in India as Joseph et al., (1999) said are the organisational commitment, human resources management, supplier integration, quality policy, product design, role of quality department, quality data reporting, technology utilisation, operating procedures and training.

In Hong Kong the critical success factors based on research are the training and education, quality data and reporting, management commitment, customer satisfaction orientation, role of the quality department, communication to improve quality and continuous improvement (Leung et.al, 2002).

As we can see in India the critical success factors for total quality management are more than USA and Hong Kong and more specific for the needs of the employee in order to be motivated to satisfy the customer needs.

### **2.3 TOTAL QUALITY MANAGEMENT IN HOTELS INDUSTRY**

In the tourism and leisure field, distinctions have been made between quality of opportunity or performance, and satisfaction or quality of experience. Quality of performance, which may also be termed quality of opportunity, refers to the attributes of a service which are primarily controlled by a supplier. Evaluations of the quality of performance are based on tourist's perceptions of the performance of the provider. In contrast, satisfaction refers to an emotional state of mind after exposure to the opportunity. It recognizes that satisfaction may be influenced by the social - psychological state a tourist brings to a site like mood, disposition, needs and by environmental events for example climate, social group interactions (Baker and Crompton, 2000).

However, performance quality is characterized as a measure of a provider's output, that level of satisfaction is concerned with measuring a tourist's outcome. Higher quality performance in facility provision, programming, and service are likely to result in a higher level of visitor satisfaction (Baker and Crompton, 2000). Tourists are an integral part of the service process, which is one of the characteristics that distinguish services from products. Their involvement may be active or passive, but their presence influences what is delivered. However, individuals do not have to be exposed to an attraction to form perceptions of quality, because people may vicariously relate to others' experiences at a destination or to promotional material associated with it. Hence, much of the image research reported in tourism measures perceptions of quality of a destination's attributes. In contrast, satisfaction is purely experiential. It is a psychological state that can only be derived from interaction with the destination (Baker and Crompton, 2000).

On the other hand as Sila and Ebrahimpour (2008) said in their research the total quality management in luxury hotels can be categorized in three factors: leadership, guest and market focus and information and analysis. As from the research were found that these three hotels believed that leadership played a significant role in their organizations to a certain degree. Strategic planning emerged as one of the toughest factors to implement (Sila and Ebrahimpour, 2008). Also was found that the information we gathered from the interviews showed that guest and market focus is probably the strongest area of the three hotels. All three hotels allocated their resources to gather information about guests' requirements and satisfaction with the products and services they received (Sila and Ebrahimpour, 2008). Although Sila and Ebrahimpour (2008) explained that there is a lack of quality management research in the hotel industry. Also MBNQA framework could be a useful guide for quality improvement in the hotel industry given that the award criteria are suitable to hotels framework of business (Sila and Ebrahimpour, 2008). There were many observations and research about the European and international quality factors which in

every single result the meaning is to give everything to customer needs and satisfaction, from leadership until the operation.

In other research a business excellence model for the Greek hotel sector is proposed and the model focuses on specific dimensions that are of interest and of importance to hotels and are determined by managers of high-class hotels from different areas in Greece (Politis et al 2009). The model integrates the advantages of other international business excellence models making it a more thorough model for self-assessment. The model integrates the different rankings about the importance of the enablers and the results criteria as stated by the hotels' general managers in order to assess their weights (Politis et al 2009).

#### **2.4 THE EUROPEAN FOUNDATION FOR QUALITY MANAGEMENT MODEL: HISTORY AND MAIN ANALYSIS**

In 1988 was founded the European Foundation for Quality Management which has the objective to help European companies to create competitive advantages in the international marketplace (Gomez et al. 2011). With total quality management philosophy, the USA developed its own prize with the name MBNQA and in some years later Europe followed this trend with the EFQM award (Gomez et al, 2011).

The EFQM excellence model is a not-for-profit membership foundation which achieves and sustains outstanding levels of performance that meet or exceed the expectations of all their stakeholders in organisations (EGQM EXCELLENCE MODEL, 2013). The framework of EFQM model is using by 30000 organisations in all Europe and the companies starting with training, assessment tools and recognition. The main objective of this model is to assess where the organisations are on the path to excellence – helping them to understand their key strengths and potential deficiencies in relation to their stated vision and mission. Also the EFQM model provides a common vocabulary and way of thinking communication of ideas inside and outside from the organisation. Although, the model provides a basic structure for the organisations management system.

With other words the EFQM model helps organisations to understand their strengths and build on them their mission and vision in order to achieve recognition and profitability on their industry (EFQM excellence model, 2013). There are three components which describe the EFQM excellence model:

- a. The Fundamental Concepts of excellence: principles which help to achieve sustainable excellence for any organisation.
- b. The EFQM Excellence Model: help organisations to convert the Fundamental concepts and RADAR logic into practise.

- c. RADAR logic which is a dynamic assessment framework and powerful management tool that provides support to an organisation in order to achieve sustainable excellence (EFQM excellence model, 2013).

As Medhurst and Richards (2003) said the models of quality help you to think about your organisation, and if used appropriately it should help you think about your organisation as a system. The EFQM model has fundamental concepts which describe the attribute of an excellence organisational structure. As Herman van Rombuy said (2012), these fundamental concepts are the following:

1. **Adding value for customers** which including excellent organisations consistently by understanding, anticipating and fulfilling needs, expectations and opportunities.
2. **Creating a sustainable future** with enhancing the organisations performance advancing the economic, environmental and social conditions within the communities they organised.
3. **Developing organisational capability** with enhance organisations capabilities by effectively managing change within and beyond the organisational limits.
4. **Harnessing creativity and innovation** helps organisations to generate increased value and levels of performance through continual improvement and systematic innovation.
5. **Leading with vision, inspiration and integrity** characterised good managers who are looking forward and do the future a reality.
6. **Managing with agility** is giving the opportunity to the organisations to recognise effectively the threats and opportunities.
7. **Succeeding through the talent of people** which successful organisations value their employees and there is a creation culture of empowerment for the achievement of personal and organisational goals.
8. **Sustaining outstanding results** which including both the short and long term needs of all the stakeholders.

### **The Criteria**

As Gomez et al, (2011) said the EFQM Excellence model is a non-prescriptive framework based on nine criteria (see Figure 1). The five of them are “Enablers” and four of them are “Results”. What an



organisation do is covering on the “Enablers” and what the organisation achieve on the “Results” – “Results are caused by “Enablers”.

As per from the research said that to achieve sustained success an organisation needs strong leadership and clear strategic direction (Rompuy, 2012).

- 1) **Leadership:** Excellent organisations have leaders who form the future and make it happen, acting as role models for its ethics and values and inspiring trust in every moment. Also as leaders are flexible, enabling the organisation to anticipate and react in time to be safe for the coming success of the organisation.
- 2) **Strategy:** Excellent organisations implement their mission and vision by developing a stakeholder focused strategy. The policies, plans, objectives and processes are the way in order to developed and deployed to deliver the strategy.
- 3) **People:** Successful and excellent firms value their people and create a culture that allows the mutually beneficial achievement of organisational and personal goals. There is a development of people capabilities and promote the equality and fairness. Also, the communication, reward and recognition are the way to motivate people builds commitment and enables them to implement and use their skills and knowledge for the benefit of the organisation.
- 4) **Partnerships and resources:** Excellent organisations plan and manage external partnerships, suppliers and internal resources in order to support strategy, policies and effective operation of processes.
- 5) **Processes, Products and services:** Excellent organisations design, manage and improve processes to generate increasing value for customers and other stakeholders.

### **Subcriteria of criteria**

As per the Calvo-Mora et, al 2014, the subcriteria of criteria in European Foundational Quality Management excellence model are the following:

#### **1. Leadership**

- 1a. The leaders develop the mission, vision, values and ethical principles and act as a reference model of an excellence culture.
- 1b. The leaders personally involve themselves to guarantee the development, introduction and continuous improvement of the organization management system.
- 1c. The leaders interact with clients, partners and representatives of society.
- 1d. The leaders reinforce an excellence culture among the people of the organization.

1e The leaders define and boost change in the organization.

**2. Policy and strategy**

2a. Policy and strategy is based on the current and future needs and expectations of the groups of interest.

2b. Policy and strategy is based on the information of the indicators of performance, research, learning and external activities.

2c. Policy and strategy is developed, reviewed and updated.

2d. Policy and strategy is communicated and deployed via a scheme of key resources strategy.

**3. People**

3a. Planning, management and improvement of human resources.

3b. Identification, development and maintenance of the people's knowledge and capacities.

3c. Involvement and assuming responsibilities by people in the organization.

3d. Existence of a dialogue between the people and the organization

3e. Rewards, recognition and attention to the people of the organization.

**4. Partnership**

4a. Management of the external alliances.

4b. Management of the economic resources.

4c. Management of the buildings, equipment and materials.

4d. Management of technology.

4e. Management of information and knowledge and resources.

**5. Processes**

5a. Systemic design and management of the processes.

5b. Introduction of the necessary improvements via innovation, in order to fully satisfy the customers and other interest groups, increasingly generating a greater value.

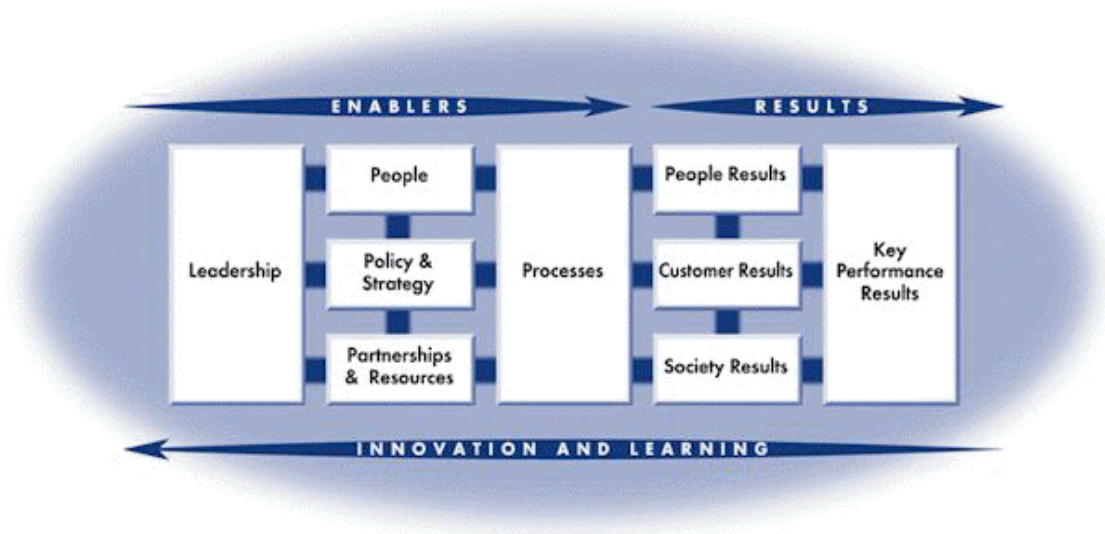
5c. Design and development of the products and services based on the needs and expectations of the customers.

5d. Production, distribution and attention service of the products and services.

5e. Management and improvement of the relationships with customers.

**Figure 1.**

The EFQM Excellence Model



**Source:** Bhatt, D. (2013)

## 2.5 EUROPEAN FOUNDATIONAL QUALITY MANAGEMENT MODEL IN HOSPITALITY INDUSTRY

In nowadays total quality management should be in every organisation in order to be effective and successful. Of course will cannot missing from the hospitality industry and the reason is the customer's satisfaction and the quality of service that has to be done in every luxury hotel. Camison (1996) analysed that total quality management is seen to be an essential management technology for laying the foundations of competitiveness for tourist concerns and their search for excellence at the present time, characterized by an urgent need to confront the universalization of the economy and a hostile and turbulent environment in which competitiveness requires more and more management capacity. As per the research in Valencia's hotel industry was great backwardness on the road towards total quality which is particularly acute in the coastal accommodation sector of low official quality 1-3 stars (Comison, 1996).

### **3 METHODOLOGY**

#### **3.1 INTRODUCTION**

Completing the literature review will follow development of research methodology. In this part it proposed and implements a specific research study. Through the review of secondary sources became a use of articles to be able to implement these ideas and concepts. It is utilized a semi-structured interview (qualitative research) format using the European Foundation Quality Management 2013 (EFQM) criteria as a framework. The research was done in five (5) luxury hotels in Paphos. Hotels wanted to keep their anonymous identity so in the research was written with Hotel A, B, C, D and E.

In the following methodology included the purpose, objectives and research questions. Also, described the justification of chosen methodology, the research methods with tools, data analysis and limitations of the research. The qualitative research included questions about the five (5) criteria (leadership, strategy, people, partnerships and resources, processes, products and services) and sub - criteria of the European Foundational Quality Management model.

#### **3.2 PURPOSE, OBJECTIVES AND RESEARCH QUESTIONS OF RESEARCH**

Camison (1996), hotels and companies changing their structure based on tourists behaviour and the growth of competitiveness. Also, there was found in research in America that the three most significant TQM factors are the leadership, guest and market focus, and information and analysis (Sila and Ebrahimpour, 2008).

The purpose of the research was to find out how the hotels with luxury and quality in Paphos using the EFQM excellence model in their structure with the five (5) criteria and twenty four (24) sub-criteria. EFQM excellence model in 2014 should be emphasized in all the hotels in order to have a European quality and satisfied structure. The objectives of the research was to find out the hotel managers experience with the quality model EFQM and also how important and challenge is each criterion and each sub-criterion for them.

##### **3.2.1 JUSTIFICATION OF CHOOSING METHODOLOGY**

In the research for total quality management with framework EFQM excellence model was used a qualitative research with interview structure in five luxury hotels in Paphos. As per the research are written on various occasions seeking to study an individual case, a particular situation or a particular group of people in depth. To answer such questions used methodologies known as qualitative research. Qualitative research is a basic assumption which each person is unique and deserves study. The general characteristics that define a qualitative research is that using real environment for data collection, data studied textual or audio-visual

material, focuses on processes and results and seeks to bring out what they think and why they think this way participants (Patton and Cochran, 2002). So before conducting research goal is to pick a decision about how the research will take place since to be quantitative (questionnaires) and qualitative (interviews). Qualitative research is characterised by its aims, which relate to understanding some aspect of social life, and its methods which generate words, rather than numbers, as data for analysis (Patton and Cochran, 2002).

As per the bibliography there are a lot of article written about total quality management and EFQM model in hotels industry. With that structure it organised a research based on luxury hotels in Paphos area which are chosen by personal opinion. These hotels have the title of 5 star hotels which mean luxury, very good quality, and strong competitive advantage and of course care about customers. The hotels are on the sea view of Paphos area and only one of these hotels is new.

### **3.3 RESEARCH METHODS**

#### **3.3.1 Research tools**

For this qualitative research was done selective purposeful sampling. Selective sampling is a practical necessity that is ‘shaped by the time the researcher has available to him, by his framework, by his starting and developing interests, and by any restrictions placed upon his observations by his hosts’ (Coynne, 1997).

The sample is made up of five (5) luxury Cypriot hotels in Paphos. The research framework based from the European Foundational Quality Management model and the measures used to obtain the data are the five criteria that make up the EFQM models and their 24 subcriteria. The criteria and subcriteria in the interview questionnaire was found from the article “the relationships between soft-hard TQM factors and key business results” by Calvo-Mora et al. in 2014.

When the questionnaires were ready the first move is to have a meeting with each hotel manager in their luxury hotel. When the interview was arranged they taken the questionnaire and answer all the questions via a dialogue with the interviewer. In this research tried to raise as much data can be in control of the process and planning research, participants select and implement the plan chosen. The interview is a guided discussion the aim of which is to be drawn from the research more rich and detailed material that could be used in qualitative analysis. Kvale (1996) stated that conducting an interview includes seven stages which are the subject, design, interview, transcript, analysis, verification and reporting. In this research the interviews consisted of small and simple open-ended questions so that they can freely express all the details and information.

On the end of the questionnaire was a scale questions like how important and challenge is the criteria and each sub – criteria from one (1) as minimum and five (5) as maximum.

### **3.3.2 DATA ANALYSIS**

In the chapter of data analysis when the interviews finished the interviewer written carefully and specific all the answers from the hotel managers. Then, from each answer can be found the most important meaning and the most popular. About the tables for the importance and challenge will be used a method with one (1) as minimum and five (5) as maximum. There was found the mean value in the excel for all the answers of the participants in order to be ready the tables and graphs to see the possible results.

### **3.3.3 LIMITATIONS OF RESEARCH**

Some limitations which found in the research were the lack of time and the difficulty to meet with the hotel's managers based on the high season.

## 4 FINDINGS / RESULTS AND DISCUSSION OF FINDINGS

### 4.1 FINDINGS FROM INTERVIEW QUESTIONNAIRES

This section included the findings and results from the semi – structured interviews in which the managers of the five luxury hotels in Paphos supplied their own comments and experiences based on the EFQM model. In order for the managers to be anonymous, their identity appears as A, B, C, D and E.

Table 1 demonstrated a summary profile of each hotel including their capacity, the number of their employees in high and low season and the type of their ownership. Also, Table 2 shows each hotel’s experience with the quality systems.

**Table 1: A summary profile of Hotels A, B, C, D, E**

Hotel	Capacity	Employees in High season	Employees in Low season	Ownership Type
A	1200	400	200	Large Company
B	420	180	80	Family type
C	600	200	170	Public Company
D	400	190	90	Family Type
E	1180	251	192	Public Company

**Table 2: The 5 hotel’s experience with quality systems**

Hotel	Quality program
A	ISO 9001, HASSAP
B	ISO 9000 & ISO 22000 (HASSAP)
C	ISO 22000 & OHSAS 18001 (2007)
D	HASSAP & CSR (corporate social responsibility)
E	ISO 9000 & ISO 22000 (HASSAP)

In the following paragraphs analysed the discussions about the criteria and sub – criteria of the EFQM model of each hotel manager.

## 1. Leadership

### **1a. The leaders develop the mission, vision, values and ethical principles and act as a reference model of an excellence culture.**

Based on the interviews all the managers have the same opinion and experience about the mission and vision development before the hotel start working in order to have a clear purpose and plan of how they will achieve their goals. Hotel B said that:

*“You must believe what you want in order to broadcast to others”.*

Every manager wants to achieve their personal objectives and reach their destination. The manager of hotel E has the same opinion with the others but they also added that:

*“As a leadership they want to exceed their customer’s satisfaction”.*

**Discussion:** This discussion showed a strong and organised leadership. The mission and vision of each hotel is specific and depends on each hotel customer’s needs and expectations. Leaders had their own structure and purpose in order to have a successful organisation and satisfy customers and employees. The leadership is the most important criteria because all start from there and as a result to have complete management of policy and strategy, people, partnership and processes. In the research of Sila and Ebrahimpour (2004) found that top leaders have a clear vision and view of what the company wants and are held accountable for the company’s performance not only from a financial standpoint but from a quality standpoint as well.

### **1b. The leaders personally involve themselves to guarantee the development, introduction and continuous improvement of the organization management system.**

All the hotel managers are fully involved and deal with situations that may happen in their luxury hotel. They care not only about their customers’ satisfaction but also about their employees’. Also, leaders cannot stray from the original selection because in the end the results will be different like the first option. Every department in the hotels is responsible to involve and work with everybody. The manager of Hotel E said:

*“I am full involved and I am dealing with everything, for example with the quality, hiring of employees, purchases, people and every single thing that needs attention”.*

**Discussion:** It was found that based on the mission of the hotel managers want to have a clear image of what happen in their hotel so should be involved and deal with every important situation. Also in other research found that the general manager is actively involved and committed to the transformation of the



organizational culture as a result of a brand upgrade from economy to upscale (Sila and Ebrahimpour, 2004).

***Ic. The leaders interact with clients, partners and representatives of society.***

The Hotel A's manager believes that every customer needs a private treatment so that they can explain clearly the problem and find a fast solution. There shall be interaction between all the team managers of the hotel in order to reach the vision. There are internal and foreign policies. These policies are transmitted to customers not only from the manager but also from the directors of the hotel. The manager of Hotel C mentioned that:

*“In daily basis has interacts with clients and partners in order to observe any changes if allowed”.*

The manager of Hotel D has also the same opinion:

*“In our hotel there is no back and front desk. All the managers including me have communication with our clients in order to have a first observation of how they spend their time in our hotel”.*

**Discussion:** The hotel managers should not be avoiding interacting with clients, partners and society because in daily basis things not stay the same. The good relationship with clients showed a friendly and positive hotel manager who want to have a satisfy customers and not only their money.

***Id. The leaders reinforce an excellence culture among the people of the organization.***

All the managers mentioned in the same points that they reinforce and excel culture among the people of the organisation. Hotel A's manager said:

*“Every person in our luxury hotel is important and responsible for its job. Every employee has to work in teamwork and communication between them in order to produce and satisfy the customers”.*

Hotel managers B and C said that the culture is unique and cannot be copied. In addition, they said that is getting through the leadership of one luxury hotel. In Hotel E the manager said that:

*“Every person in the hotel follows strict rules and regulations and has no margins for relaxation”.*

**Discussion:** From the analysis found that leaders in luxury hotels Paphos care about people in the hotel but on the other hand they have strict rules special in high season to have a control of all the employees. The prevalence of the hotel culture is very important in order to be all informative about their job descriptions and for the way that the luxury hotel should be manage.

***Ie. The leaders define and boost change in the organization.***

In these sub-criteria the leaders said that changes are necessary for a luxury hotel as well as the development of new ideas and things in every day structure from operation until financial points. The Hotel E manager said that:

*“I am flexible to any changes if they are for the good of the hotel”.*

**Discussion:** Changes has to be specific and clear for a success and not for the worst of the organisation. In Camison (1996) research was found that management and businessmen showed little interest in undertaking quality improvement, also ignoring their fundamental role to inspire and guide in the necessary cultural change towards total quality.

## 2. Policy and strategy

### *2a. Policy and strategy are based on the current and future needs and expectations of the groups of interest.*

Hotel A manager believed that their policy and strategy bring them in the most famous hotel in Cyprus and they change their strategy only when it is needed from the current changes in Cyprus and the world.

A quote that manager of Hotel A used is:

*‘‘Being open minded and well optimistic didn’t harm anyone’’.*

The manager of Hotel C also mentioned that the policy and strategy are very important and they are under serious conditions in order to have a complete organisation. On the other hand Hotel B said that:

*‘‘The policy is stable. It is from the beginning and has to do with attitude. Review the policy every 4-5 years for example the data of the strategy to be flexible and to reach the goal’’.*

In Hotel D the manager said that:

*‘‘The current and future needs are based on the market changes and needs in order for the customers to enjoy their holidays’’.*

Hotel E’s manager agreed that policy and strategy based better in the current needs and the quote that they used is:

*‘‘When building the current you can also make the future’’.*

**Discussion:** As we can see all the hotel managers said different opinions about the current and future needs and the result is their different policy to work in their hotels. The opinions differentiate because of the different customer needs in each hotel. All the hotel manager’s opinions have a logic explaining and we can understand that if somebody invests in current can achieve the future.

### *2b. Policy and strategy is based on the information of the indicators of performance, research, learning and external activities.*

In these subcriteria two of the five hotels believe that the planning is the most important as well as to daily informing from local and international media in order to have a whole picture of what happens in the world about economy and life in general. In Hotel E the manager uses evaluation machines every month by tour operators in order to check the quality and performance.

**Discussion:** With both options informed by local and international and evaluating the tour operators can achieve the policy and strategy. These opinions are correct because the hotel manager can check the economic, environmental and social changes and decide about the strategy of the hotel if will be stay the same or change. Without information of the indicators of performance, research, learning and external activities one luxury hotel has a possibility of fail.

***2c. Policy and strategy is developed, reviewed and updated.***

Managers did not develop, reviewed and updated the policy as much as the strategy at regular intervals. This is happening in order to emphasize the current needs of the customers. Hotel D manager said that:

*‘Developed, reviewed and updated every quarter and in the same time we do a financial meeting’.*

**Discussion:** From this subcriteria showed that the forecast is very important to have a successful luxury hotel. As a result to have this success those luxury hotels means that their ability to developed, reviewed an update only the strategy is a good point to be profitable and innovative.

***2d. Policy and strategy is communicated and deployed via a scheme of key resources strategy.***

In all five hotels offer every year seminars and additional training programmes for the employees in order to develop their communication skills and gain more consciousness and love for their job. Also the manager of Hotel E mentioned that:

*‘The tour operators informed for all the facilities, situations and regulations of the hotel by the website and from the sales offices for example for the opening hours of the restaurant, the swimming pool, what time we offer the towels and many other things’.*

**Discussion:** With the above analysis means that luxury hotels have strong key resources strategy and give many importance for the implementation. The hotel is responsible to inform all the people that connected with it in order to realise what is including, how is working the hotel and when is available for each of them.

### **3. People**

***3a. Planning, management and improvement of human resources.***

All the luxury hotels of course have a Human Resource Department (HR) which is engaged in education and welfare. Managers said that there are many external changes on the environment that can affect the people in the organisation so the HR department has to manage all these changes for the motivation and safety of the employees. Manager in Hotel C said that:

*‘‘Especially in our hotel we are one of the most progressive and right for education, safety and health of our employees. As management we properly applied within recruitment with specific rules and staff is the main image of the hotel’’.*

Because of owning more than one hotel, the managers in hotels D and E have a small HR department with one representative who organize the structure and solve problems with employees.

**Discussion:** based on the analysis human resource department has the role to educate, inform and training the people of the organisation.

### ***3b. Identification, development and maintenance of the people’s knowledge and capacities.***

Each luxury hotel in the survey trains their employees when hiring them and gives them all the knowledge and information needed. In addition, Hotel B does educational seminars every 3-4 years and Hotel D does appraisals to see the performance with the minimum and maximum of each employee and check their goals separately.

**Discussion:** From the interviews was realised that each hotel manager had a strong feeling of protect and invest in their employees by identification development and maintenance of the knowledge and capacities.

### ***3c. Involvement and assuming responsibilities by people in the organization.***

About involvement and assuming responsibilities by people in the organisation managers said that it depends on the job description as well as on the administrative level which includes responsibilities and tasks.

**Discussion:** the responsibilities for each department in the hotel are specific and clear in order to have a complete job description. Everyone is responsible for themselves and their daily programme in order to have teamwork and achieve their purpose – satisfy the customer needs.

### ***3d. Existence of a dialogue between the people and the organization.***

Hotel B and E managers said that there is a communication channel through hierarchy. They also mentioned that all parts of the hotel need to know and communicate with each other and be open to suggestions within the hierarchy. In Hotel C the manager said that:

*‘‘There is a committee for the welfare of staff and meet regularly for any problems that may arise’’.*

**Discussion:** A dialogue between the people and the hotel maintained a friendly, positive, helpful and progressive environment. This is correct that the dialogue been via a hierarchy because each employee knows where to refer.

### ***3e. Rewards, recognition and attention to the people of the organization.***

Hotel managers B and D emphasize on the Employee of the year and also staff's birthday celebrations. On the other hand the manager in Hotel C said that:

*“I don't believe of the reward Employee of the year because you might have one satisfied and 100 dissatisfied”.*

In hotel E the manager said that:

*“Reward and exceeds expectations for example with cash prizes, family packets and days off”.*

**Discussion:** It was very unhappy to realise that one of five hotels didn't believe in rewards and recognition. The way to have satisfied and motivate employee is to recognise them and accept their personality. If there is some recognition you can make all the employees motivate and move them to work hard to achieve the reward and bonus. In Sila and Ebrahimpour (2004) survey was found that the hotels had recognition programmes for superior performance for both its employees and managers.

## **4. Partnership**

### ***4a. Management of the external alliances.***

About the external alliances all the hotel managers mentioned that there are the tour operators, the suppliers (most importantly), the travel agents, social companies, the municipality and CTO office in Paphos.

**Discussion:** It is very important the management team to engage with the external alliances because mainly is not their responsibility but it was the other departments. With this management of the external alliances could found strengthens and weaknesses of each alliance and as a result to change it or to remove it automatically.

### ***4b. Management of the economic resources.***

The economic resources in hotel C are done by the central office and the accounting department which handled the loans, the money that belongs to them and every single financial movement.

**Discussion:** all the financial points covered by the financial department – central or not and the management responsibility is to observe them day by day in order to have a complete control. The five luxury hotels have a strong financial and accounting department which engaged with all the banking and reservations movements.

#### **4c. Management of the buildings, equipment and materials.**

About management of the buildings, equipment and materials hotel A said that:

*“We have a maintenance department with 50 people in order to deal every day with any problems in the hotel and fix it as soon as possible. Every 5 years we do a general restructure of the hotel in order to put new ideas and designs in our places”.*

On the other hand in Hotel B they do maintenance very often and have renovation in the rooms every 7 years. In addition, they do painting and design when needed. The hotel D manager mentioned that:

*“We have very good engineering department. The most important things are the water, the electricity, the fuel and labour costs”.*

Hotel E manager said that:

*“Our responsibility is the maintenance and keeping the structure of the building based on daily inspections for example if one housekeeper observes that something is broken in one room has to report it to the maintenance department in order to fix it”.*

**Discussion:** About maintenance is again by hierarchy. Each person in the hotel is responsible to indicate any broken or damaged equipment in order to fix it soon. Also the maintenance department had a clear role of responsibilities and if they keep the hotel in daily good condition after they will not spend too much money for renovation.

#### **4d. Management of technology.**

In Hotel A manager mentioned that they used high technology systems like recycling, central system for reservation and a well-structured system in order to get the customers' opinions. In hotel B they apply new ideas in technology but they don't give much attention in new technology systems. Hotel C had a great IT department, guest service and e-commerce. For instance, they take orders from the pool bar and café by the cash machine and bring them directly into the kitchen. In the following year they will apply the central reservation system where the customer can book a table in a restaurant from their room. In Hotel E they have central software which manages the bookings and records the stock. For example, if the head office makes a booking, the system automatically shows the hotel.

**Discussion:** About the management of technology these five luxury hotels have progressive and good systems for reservations, for orders based on the experience IT department. They mentioned that they had future movements about the technology systems which mean that they observe the development of the technology and prefer to expand in new ideas and thoughts.

**4e. Management of information and knowledge and resources.**

This sub-criterion about management of information and knowledge and resources was very important for all the hotel managers. They believed that knowledge and information are necessary for humans in order to have a successful organisation. Hotel B manager believed that is responsibility of the marketing manager to have the knowledge they need. On the other hand Hotel D and E managers believed that knowledge and information can be the product to be reliable and consistence.

**Discussion:** The managers of the hotels had to have the ability to transfer their information, knowledge and resources to the employees. One of the five hotel managers believe that is marketing manager responsibility which is wrong because the marketing was about sales. So, general managers had to realise that had to believe in their product and services and transfer them with any easy way to the people that working hard in the luxury hotel.

**5. Processes**

**5a. Systemic design and management of the processes.**

The managers in their hotels do not change dramatically their services because those are what lead them to their success. However, they apply a few small changes in service, working hours and the structure of the product for the best of the luxury hotel.

**Discussion:** Design and management of the processes are specific in each luxury hotel. Any huge change maybe will be a disaster for their future reservations. In similar research was found that when designing new products and services, the company seeks to feedback from its employees, customers and suppliers (Sila and Ebrahimpour, 2004).

**5b. Introduction of the necessary improvements via innovation, in order to fully satisfy the customers and other interest groups, increasingly generating a greater value.**

The best way to introduce the necessary improvements via innovation is to handle them as a group. Everybody should be informed and motivated about their job in order to satisfy the interest groups and generate a greater value. The manager in Hotel D believe that:

*“Customers should always be delivered a product they enjoy and feel like when the children want kids place, games, swimming games and other fun activities. In our hotel we give the families all these facilities. The one phrase not to be forgotten is: ‘Thank you for coming back’”.*

**Discussion:** To have a greater value is coming from the movements and possible plans which organise to emphasize. Farhadi (2013) said that management knowledge will be successfully applied in the organisations if they consider a process attitude besides their systemic attitude to the problems.

**5c. Design and development of the products and services based on the needs and expectations of the customers.**

Design and development of the products and services can be achieved with flexibility and fully understanding of the customer's needs. Manager of the Hotel C said that:

*‘I know every day my customer's needs in order to improve the hotel services and products’.*

New ideas are developed by all the managers in order for the customers to come again at the hotel. Hotel E manager mentioned that:

*‘One 5 star hotel knows about the requirements and needs. You should have regulations and rules in order not to stay outside of your frames’.*

**Discussion:** The customers can show what type of a product and services one luxury hotel should apply. Design and development of services and products are considered as strong sides should be identified and optimized so that the company can continue its way toward excellence and achieve its goals (Farhadi, 2013).

**5d. Production, distribution and attention service of the products and services.**

About production, distribution and attention service of the products managers mentioned that are fixed but if they notice that something needs to be changed it changes in the same time. Hotel E manager said that:

*‘We have authorised good suppliers with quality products to meet our luxury hotel. Also, we have food safety from the delivery of food until the safety in the store’.*

**Discussion:** The suppliers are the most important distribution method to have a quality and reliable products. Luxury hotels tried to emphasize in very quality, specialized, designed and evenly products and services in order to have a positive feedback and all the customers to be repeaters.

**5e. Management and improvement of the relationships with customers.**

All the luxury hotel managers strongly believe in management and improvement of the relationship with customers. They apply continuous improvement in order to satisfy the customers and to receive the best feedback. Furthermore, they spend a lot of time with customers in order to make them feel comfortable and welcome. Hotel E manager said that:

*‘It is responsibility of all the management team to have communication with the customers and in daily basis to have great values’.*



**Discussion:** Communication and connection with the current customers in the hotel means great relationships and better view by the management team. Only one hotel mentioned that they didn't give main care to the improvement of the relationships with customers because of the huge of responsibilities. But on the other hand as luxury hotels did good job about the management and improvement of the relationships with customers based on their values, ethical principles and their culture.

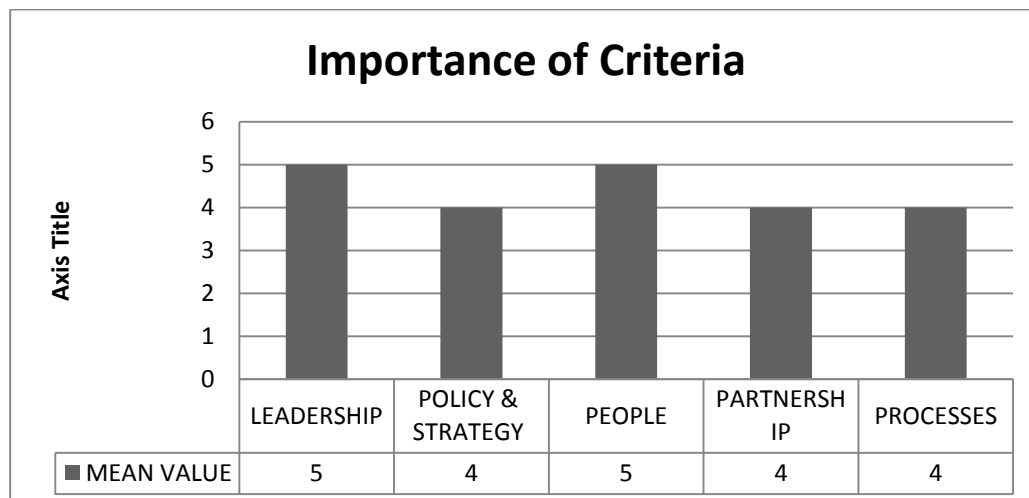
## 4.2 COMPARATIVE ANALYSIS OF CRITERIA AND SUBCRITERIA

In the third part of the interview questionnaire was the rating from 1 until 5 about the importance and challenge of the 5 criteria and 24 sub-criteria. Managers found them a little autonomous but was explained to them that were a part of the research based from the European Foundational Quality Management model. All the answers are closed to each other but to be completely the research was found the mean values of the criteria and sub-criteria in order to have a whole result. In the following will be covered the results about importance and challenge by charts and some discussions.

### 4.2.1 ANALYSIS OF THE IMPORTANCE AND CHALLENGE FOR CRITERIA IN EFQM MODEL

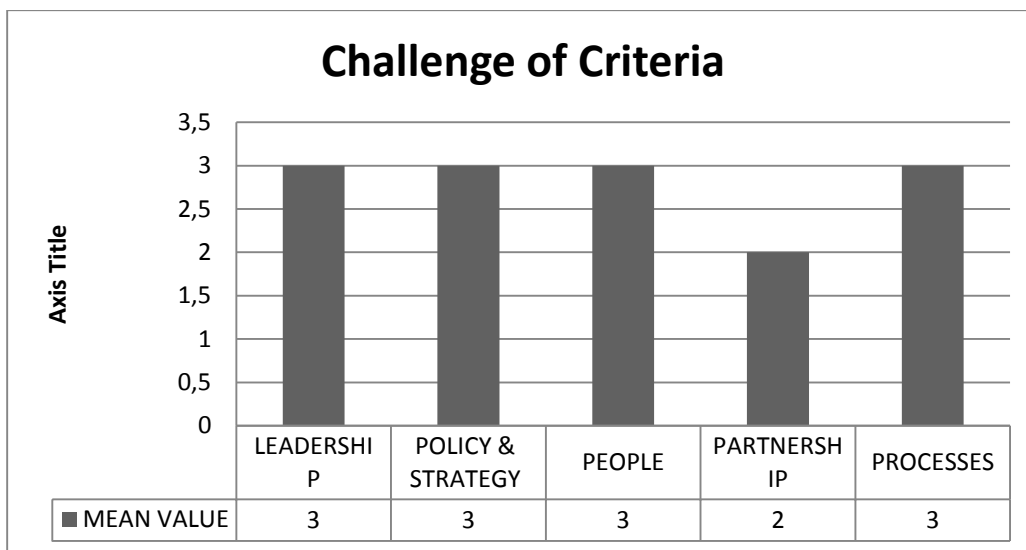
In the first part about the importance of criteria only two criteria are the most important the leadership and people with 5 rates and the rest; policy and strategy, partnership and processes are on the second place with 4 rates (see Chart 1). With these results didn't mean that the other three criteria are not important because one luxury hotel cannot have one and other one not.

**Chart 1 – Importance of Criteria**



However, on the other column in the questionnaire was the challenge of each criterion. For example if the ratings are around five it means that is very difficult to implement but if are on the two (2) or three (3) means that is almost easy. In Chart 2 we can see that about challenge of criteria the most easy to implement is the partnership which means the management with external alliances, the economic resources, the buildings, equipment, materials, technology and information, knowledge and resources. On the other hand, leadership, policy and strategy, people and processes the mean value is three (3) which mean that is neither difficult nor easy. The challenge is depend from the person that manage and of course from the environment situations.

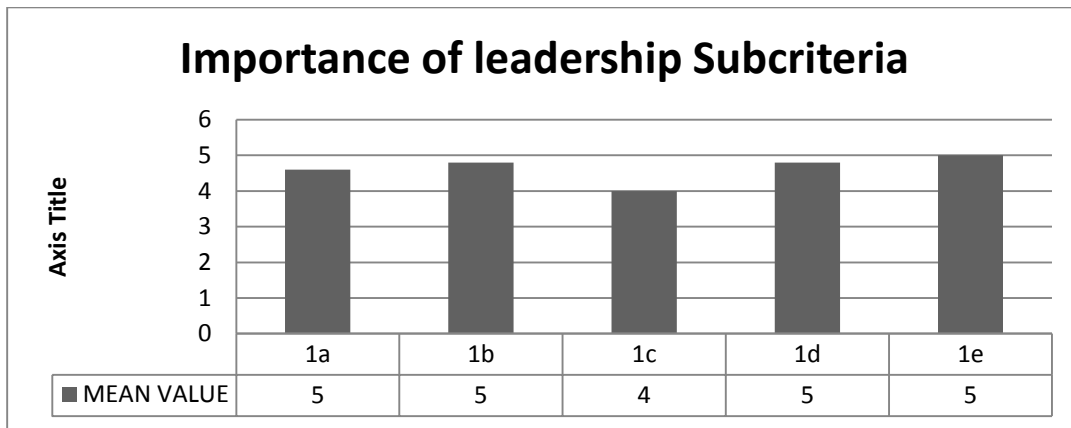
**Chart 2 – Challenge of Criteria**



#### **4.2.2 ANALYSIS OF IMPORTANCE AND CHALLENGE OF SUB-CRITERIA IN EFQM MODEL**

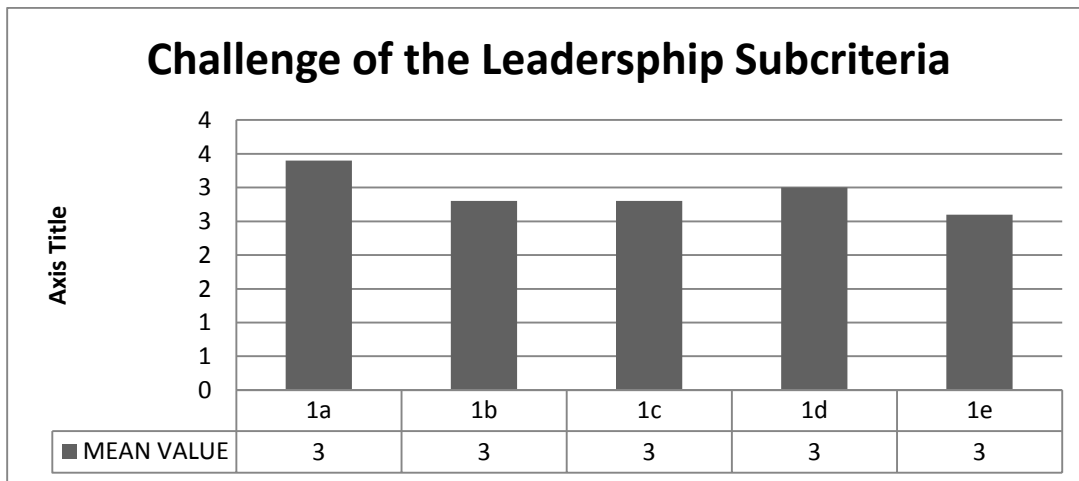
Under five (5) criteria there are sub-criteria which are the way of a completely criteria. For each sub-criterion also was done a rating from one until five about importance and challenge. On Chart 3 shows the importance of leadership subcriteria. The most important for the hotel managers is the last sub-criterion which is about definition and boost change in the organisation - 1e. The two sub-criteria which have the same rate are the leaders involve themselves to guarantee the development, introduction and continuous improvement of the organisation management system and reinforce an excellence culture among the people of the organisation – 1b, d (see Chart 3). The one that has a little bit down of other is the interaction of the leaders with clients, partners and representatives of society - 1c. With the results means that luxury hotel managers believed to the change of the organisation for better structure and renovation.

**Chart 3 – Importance of leadership Subcriteria**



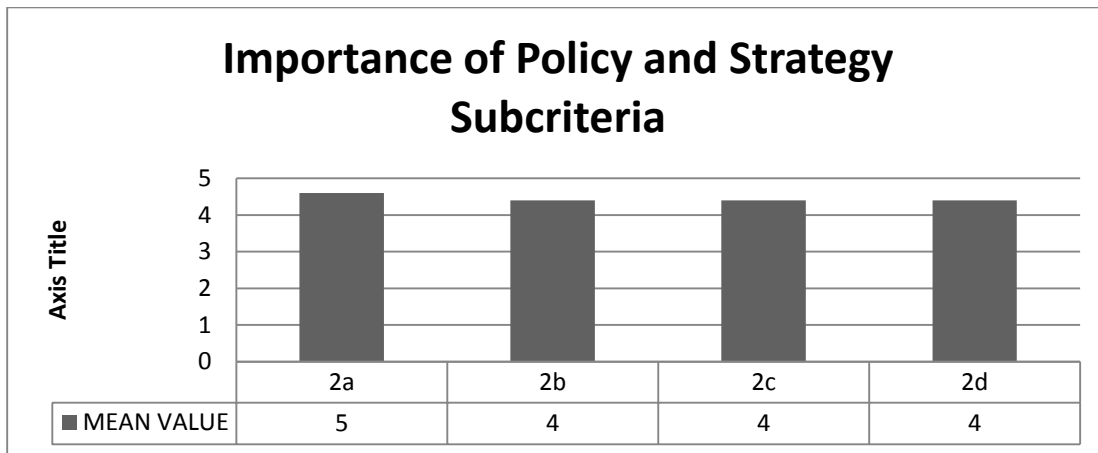
On the other hand was the challenge of the leadership sub-criteria. The most challenge sub-criteria with almost 4 rates in leadership based on the analysis was the development of the mission, vision, values, ethical principles - 1a which mean that is difficult to implement and organise (see Chart 4). The other four sub-criteria are not so difficult to manage like the involvement of managers themselves, the interaction with clients, partners and representatives of society, the reinforcing an excellence culture among the people of the organisation and definition and boost change in the organisation - 1b, c, d, e.

**Chart 4 – Challenge of the Leadership Subcriteria**



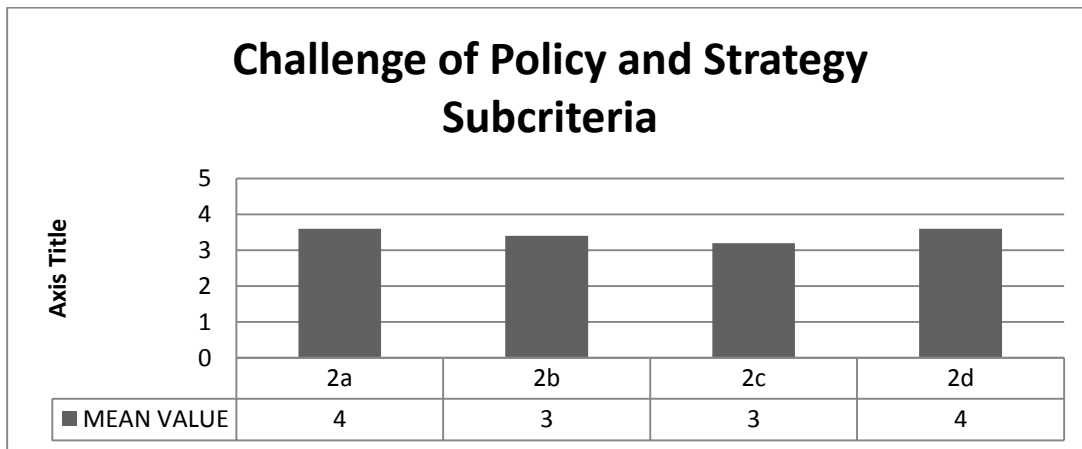
About the importance of policy and strategy subcriteria for the luxury hotel managers the most important with 4.5 rates are the current and future needs and expectations of the groups of interest – 2a. The rest three subcriteria; the information of the indicators of performance, research, learning and external activities, the development, reviewed and update and communication and deployed via a scheme of key resources strategy had the same rate 4.2 – 2b, c, d (see Chart 5).

**Chart 5 – Importance of Policy and Strategy Subcriteria**



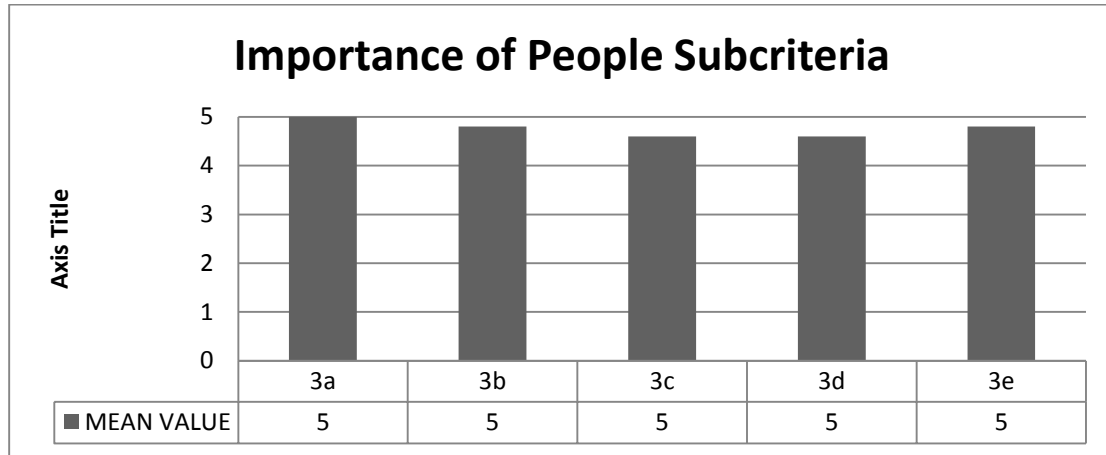
The subcriteria which have the most challenge of policy and strategy are the current and future needs - 2a and the key resources strategy – 2d with four rates (see Chart 6). These subcriteria are also important but they have the challenge to implement which mean more emphasize on current and future needs of customers.

**Chart 6 – Challenge of Policy and Strategy Subcriteria**



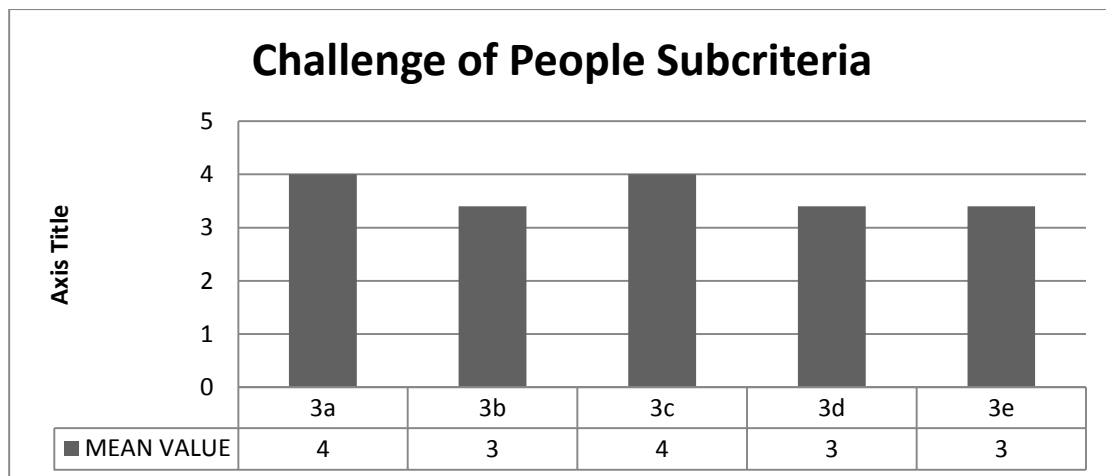
Only one people subcriteria had the highest mean value with 5 rates which is the planning, management and improvement of human resources – 3a (see Chart 7). The two subcriteria which have almost 5 mean value rate are the identification, development and maintenance of the people’s knowledge and capacities and the rewards, recognition and attention to the people of the organisation.

**Chart 7 – Importance of People Subcriteria**



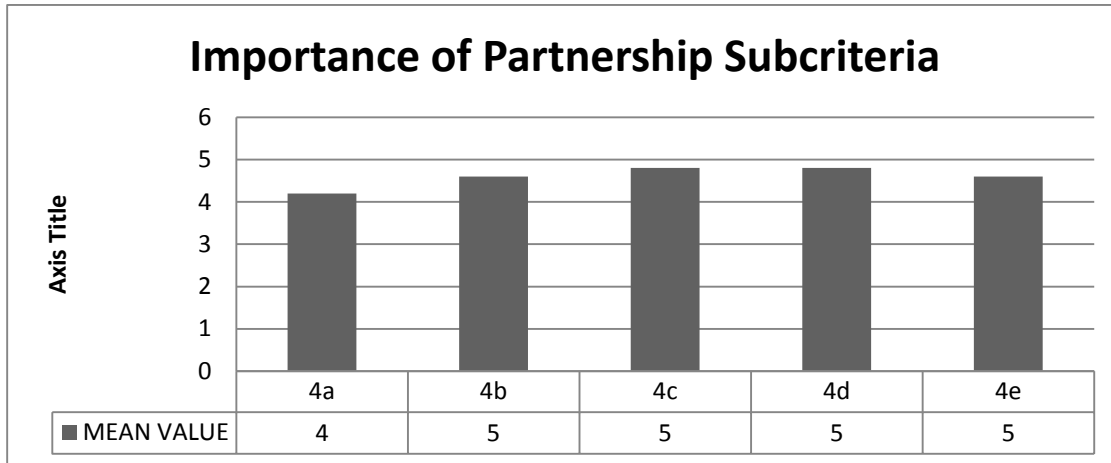
The people subcriteria that have a challenge for the hotel managers with 4 mean values are the planning, management and improvement of human resources – 3a and the involvement and assuming responsibilities by people in the organisation – 3c (see Chart 8). The identification, development and maintenance of the people’s knowledge and capacities – 3b, the existence of a dialogue between the people and the organisation – 3c and the rewards, recognition and attention to the people of the organisation – 3e don’t have too much challenge for them as per the low mean value (see Chart 8).

**Chart 8 – Challenge of People Subcriteria**



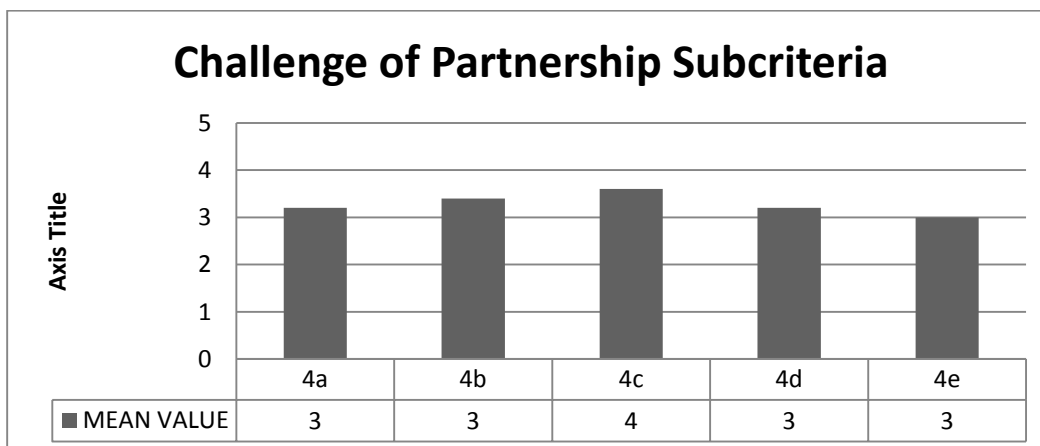
The partnership criterion is another category. The subcriteria of partnership subcriteria that have the high importance rate are the 4c and 4d with 5 rates – the management of buildings, equipment and materials and the management of technology (see Chart 9).

**Chart 9 – Importance of Partnership Subcriteria**



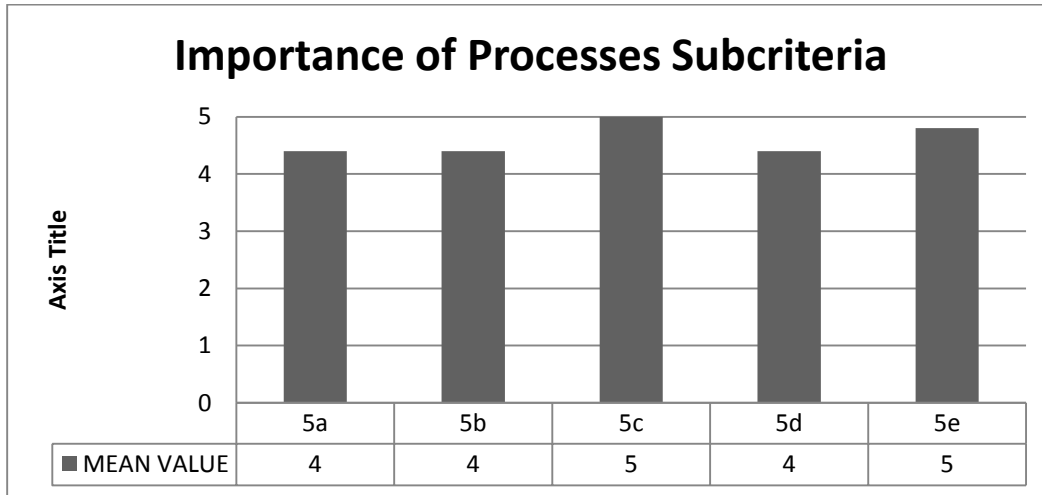
On the other side of the challenge of partnership subcriteria the most challenge subcriteria is the management of buildings, equipment and materials – 4c (see Chart 10). On the previous chart was found that was very important for hotel managers this subcriteria but in this chart showed that is also difficult to implement. The way to succeed is to have dynamic maintenance team in order to have a daily supervision of the building and equipment.

**Chart 10 – Challenge of Partnership Subcriteria**



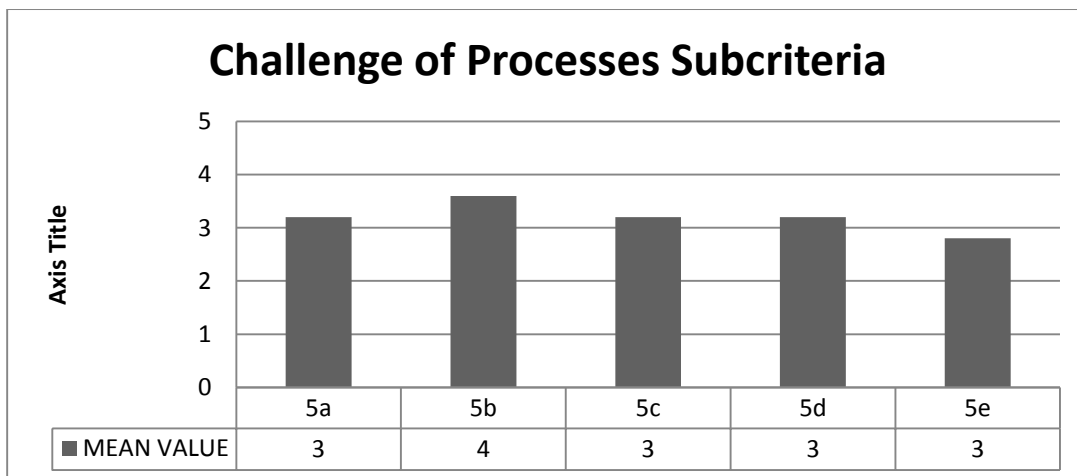
The highest important rate 5 for processes subcriteria is the 5c which is the design and development of the products and services based on the needs and expectations of the customers (see Chart 11). The second subcriteria with high mean value is the 5e which is about management and improvement of the relationships with customers.

**Chart 11 – Importance of Processes Subcriteria**



The introduction of the necessary improvements via innovation, in order to fully satisfy the customers and other interest groups, increasingly generating a greater value is the most challenge of processes subcriteria with mean value almost 3.5 – 5b (see Chart 12).

**Chart 12 – Challenge of Processes Subcriteria**



## **5 CONCLUSIONS AND RECOMMENDATIONS**

The European Foundational Quality Management excellent model as a framework for this research was found many results about the quality and management in luxury hotels in Paphos. General hotel managers didn't use this model in their management but based from their answers had a great relationship with this excellent model.

Based on the results was found that the five luxury hotel general managers had their own reviews and opinions about each criterion and subcriteria. In the following there is a summary of the most important and challenge criteria and subcriteria:

- The most important criteria for hotel managers are the Leadership and People criteria but the most challenge criteria are the Leadership, Policy and Strategy, People and Processes – with less the partnerships. Leadership and People criteria are very important but also had their challenge to implement and focus in order to have a complete structure.
- About subcriteria the most important leadership subcriteria is the definition and boost change in the organisation but about challenge is the development of mission, vision, values and ethical principles. To define and boost change in the hotel is important but is not difficult to manage it as the mission, vision and values.
- In policy and strategy subcriteria the most important and challenge is that the policy and strategy is based on current and future needs and expectations of the group of interest. This means that is so useful for them but so difficult to do it and have the possible results.
- In people subcriteria the most important with also a challenge is the planning, management and improvement of Human Resources. Because they had to manage with people and with different behaviours and characteristics that's why is also difficult to implement. Also another subcriteria with challenge is the involvement and assuming responsibilities by people in the organisation.
- In partnership subcriteria the most important with challenge subcriteria is the management of buildings, equipment and materials. The buildings and equipment are the basis for one organisation so the maintenance and protection is very useful and preventive. Also about importance based on results is the management of the technology.
- In the last subcriteria – processes the most important is the design and development of the products and services based on the needs and expectations of the customers. The meaning is that the management team had to keep the conditions of the hotel depend of customer's needs and to be adapt in order to make them satisfy and pleased to be there.

Future studies should also be more comprehensive in nature in the analysis of total quality management practises. There is a lack of total quality management research in the hotel industry but the meaning is to be informed all the general hotel managers for the new and specialized quality systems in order to start using them in their hotel structure. The ISO 9000 and HASSAP are the most famous and necessary to



implement but there are many others like the European Foundational Quality Management excellence model (EFQM) which describe all the quality and situations to be a successful and recognisable luxury hotel with the leadership, policy and strategy, people, partnerships and processes criteria.

As a conclusion the EFQM excellence model was the best framework for this research because was the guideline to discover the experienced and knowledge from the general hotel managers in luxury hotels in Paphos and to analysed the importance and the challenge of each criteria and subcriteria which are the basic principles for the successful and the best future feedback.

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## APPENDICES

### Interview Questionnaire

#### Interview questions

**1. What is the profile picture of the hotel based on the following characteristics?**

- a. Capacity .....
- b. Number of Employees in High Season.....
- c. Number of Employees in Low Season .....
- d. Ownership type .....
- e. Quality Systems (e.g. TQM, Six Sigma, ISO 9000, etc) .....

**2. There are 5 criteria on the EFQM excellence model. Each one has subcriteria which describe the excellence of each criterion. Please briefly discuss the following subcriteria and give us your experience based on your hotel.**

Criteria	Sub criteria
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**1. Leadership**

- 1a The leaders develop the mission, vision, values and ethical principles and act as a reference model of an excellence culture.
- 1b The leaders personally involve themselves to guarantee the development, introduction and continuous improvement of the organization management system.
- 1c The leaders interact with clients, partners and representatives of society.
- 1d The leaders reinforce an excellence culture among the people of the organization.
- 1e The leaders define and boost change in the organization.

**2. Policy and strategy**

- 2a Policy and strategy is based on the current and future needs and expectations of the groups of interest.
- 2b Policy and strategy is based on the information of the indicators of performance, research, learning and external activities.
- 2c Policy and strategy is developed, reviewed and updated.
- 2d Policy and strategy is communicated and deployed via a scheme of key resources strategy.

**3. People**

- 3a Planning, management and improvement of human resources.
- 3b Identification, development and maintenance of the people's knowledge and capacities.
- 3c Involvement and assuming responsibilities by people in the organization.
- 3d Existence of a dialogue between the people and the organization
- 3e Rewards, recognition and attention to the people of the organization.

**4. Partnership**

- 4a Management of the external alliances.
- 4b Management of the economic resources.
- 4c Management of the buildings, equipment and materials.
- 4d Management of technology.
- 4e Management of information and knowledge and resources.

**5. Processes**

- 5a Systemic design and management of the processes.
- 5b Introduction of the necessary improvements via innovation, in order to fully satisfy the customers and other interest groups, increasingly generating a greater value.
- 5c Design and development of the products and services based on the needs and expectations of the customers.
- 5d Production, distribution and attention service of the products and services.
- 5e Management and improvement of the relationships with customers.

3) Please rate the importance and challenge of the following criteria and sub-criteria with one (1) as minimum and five (5) as maximum.

Criteria	Importance	Challenge
Leadership		
Policy and strategy		
People		
Partnership		
Processes		

Criteria	Sub - criteria	Importance	Challenge
Leadership	The leaders develop the mission, vision, values and ethical principles and act as a reference model of an excellence culture.		
	The leaders personally involve themselves to guarantee the development, introduction and continuous improvement of the organization management system.		
	The leaders interact with clients, partners and representatives of society.		
	The leaders reinforce an excellence culture among the people of the organization.		
	The leaders define and boost change in the organization.		
Policy and strategy	Policy and strategy is based on the current and future needs and expectations of the groups of interest.		
	Policy and strategy is based on the information of the indicators of performance, research, learning and external activities.		
	Policy and strategy is developed, reviewed and updated.		
	Policy and strategy is communicated and deployed via a scheme of key resources strategy.		
People	Planning, management and improvement of human resources		
	Identification, development and maintenance of the people's knowledge and capacities		
	Involvement and assuming responsibilities by people in the organization		
	Existence of a dialogue between the people and the organization		
	Rewards, recognition and attention to the people of the organization.		
Partnership	Management of the external alliances.		
	Management of the economic resources.		

	Management of the buildings, equipment and materials.		
	Management of technology.		
	Management of information and knowledge and resources		
<b>Processes</b>	Systemic design and management of the processes.		
	Introduction of the necessary improvements via innovation, in order to fully satisfy the customers and other interest groups, increasingly generating a greater value.		
	Design and development of the products and services based on the needs and expectations of the customers.		
	Production, distribution and attention service of the products and services.		
	Management and improvement of the relationships with customers.		