# Introduction: Scope and Nature of Hotel Management

# Lesson Aim

Describe the range of hotels in operation globally. Explain the rationale for the range of hotels and their varying management policies.

# **INTRODUCTION**

For a successful career in the hotel management industry, you must:

- Develop knowledge of the nature *and* structure of the hospitality industry.
- Develop an understanding of the contemporary issues relevant to the industry.
- Develop generic business skills that are required in today's business environment, for example interpersonal skills, leadership, marketing, planning, and so on (these 'skills' areas are visited individually throughout the course).

# THE HOTEL INDUSTRY

The role of the hotel industry stems from a long history of development in the field of hospitality provision. In many countries, hotels have evolved as extensions of domestic hospitality, Today, there is no defined hotel. Hotels which exist range from small sized boutique hotel of fewer than 20 rooms to magnificent towering buildings catering to thousands of guests at any one time. The scope of the industry is also enormous. When we consider consumer trends and global markets, we know that in the hotel industry net revenue is the region of \$550bn USD annually and is only expected to continue to grow beyond this.

Industry groups in different countries may define a hotel in different ways. We suggest a typically accepted and simplified definition is:

A hotel is an establishment of a permanent nature ranging in standard and size, which consists of bedrooms and communal areas, offering short term accommodation for which money is paid.



It is common for hotels to be classified or rated against a generic system which is often valid in one country. There is no internationally defined standard which is overarching all systems of classification. However, by having specialised classification systems, potential guests/visitors/consumers have the knowledge of what they could expect on staying there and it is normally also linked to the general purpose of the hotel.

As an industry expert, you should know the main reason for classifying hotels is to enable you to analyse the market sector and in doing so, aid the following business goals:

- Competitor comparisons
- Analyses of performance.
- Identifying market gaps.

- Marketing strategies.
- Customer requirements.

To portray the type of hotel for advertising and promotional purposes, a hotel may be described in terms under the following headings:

Location	Form of ownership	Facilities	Type of client
Urban or city centre	Independently owned	Sailing	Business people
Suburban	Hotel chain	Golf	Community
Rural	Franchise	Conventions	Tourist
Semi-rural/countryside	Syndicate owned	Ski	Traveller
Island		Condominiums	Holidaymaker
Airport		Business Centres	Family
Beach Resort		Cable television and in-	Special interest
Tourism Centre (near		house movies	
attractions)		Room Service	
Business Centre		Restaurant(s)	
		Licenced bar	

The diversity and changing patterns of hotel use often make precise classification difficult and new forms of accommodation are being introduced to cater for specific needs which adds to the challenge of generic classification. For example, holiday villas, condominiums, or time-share.

Hotels most often fit into more than one category outlined below. This is a deliberate policy in order to appeal to a wider market, to encourage greater occupancy or a more even pattern of occupancy.

Standard	Star Rating	Size
First class luxury Good	1, 2, 3, 4, 5 (or more) stars	Number of beds or bedrooms Number of restaurants
Medium Small (less than 50 beds)		Number of swimming pools

To assist guests and tourism professionals, various classification schemes have been developed. Though there are undeniably exceptions, the more prominent schemes are roughly a comparable standard around the world. Do be mindful that some facilities that may be considered three-star in one country, might not be that exact same standard in another country due to cultural and societal expectations and norms. A simple example is the provision of hot beverages in guest rooms - tea and coffee making facilities are accepted as a standard facility in one country more than others. All of that said, some of these systems within close regions, nations or geographical areas have been unified to bring consistency. Most often they are run by national tourist boards. It is recommended that you become familiar with the various tourist boards which apply in your country, state or region.

# **Examples of Star Ratings**

## For Motels, Hotels and Resorts

#### ½ Star

These facilities offer the very basic standard. Some improvements may be recommended in terms of cleanliness, property maintenance of provision of necessary facilities.

### 1 Star

Offer basic standard accommodation. Simply furnished with adequate lighting. Motel units have private facilities, but hotels and resorts may have shared bathrooms.

#### 2 Stars

Well-maintained with an average standard of furnishings and fittings.

#### **3** Stars

Well-appointed, comfortable standard of accommodation, furnishings, lighting, cooling and heating. Rooms contain telephone, clock radio, tea and coffee facilities with light breakfast available.

#### 4 Stars

Good standard with high-quality furnishings and fittings. High standards in presentation and guest services; restaurant on site, air-conditioned rooms, comfortable lounge, hair drier, etc.

#### 5 Stars

Superior standard and International style, extensive range of first-class services including 24-hour room service and additional shopping and recreation facilities.

#### For Serviced Apartments

#### 1 Star

Basic accommodation with moderate comfort.

2 Stars

Average accommodation with a slightly higher degree of comfort.

#### 3 Stars

Good accommodation with better furnishings and some basic facilities.

#### 4 Stars

Very good accommodation, with a high standard of comfort and furnishings, and at least one separate bedroom.

#### 5 Stars

Excellent, luxuriously appointed, all sleeping areas and bedrooms are separate to the lounge, with very high standard of comfort and furnishings.

#### 6 Stars

International quality with an extensive range of first-class guest facilities and services.

## THE SCOPE OF THE INDUSTRY

#### Accommodation

Throughout this section "accommodation" is interpreted in a wide context to include any premises where any of the housekeeping, reception, maintenance and cleaning services have to be provided on a larger scale than in a domestic dwelling. Although, not common the establishment need not necessarily include sleeping accommodation.

In its <u>simplest sense</u>, accommodation is taken to be the provision of shelter - that is, four walls and a roof. Thus, accommodation management is taken to include:

• The provision of accommodation to suit the purpose and the needs of the users.

- The selling, marketing and promoting of accommodation through accommodation products (see box below)
- The care, maintenance and security of the accommodation.
- The care, well-being, satisfaction and comfort of the accommodation user

## Accommodation Products

## **Accommodation Clubs**

Guests can apply and join this type of club and obtain discounts on tariffs, and perhaps other services as well (such as discounts from certain car hire firms), e.g. Best Western's Gold Crown Club, Flag Inn Club.

### **Frequent Guest Programs**

Each guest visit is recorded, and when a certain number of visits within a chain or group are reached, a benefit (e.g. a free night) can be claimed.

#### **Accommodation Passes**

A certain quantity of accommodation (e.g. nights stayed) can be purchased in advance, usually at a discount. These passes are usually only valid for a particular period of time; frequently 12 months.

## **Gift Certificates**

Some accommodation groups (e.g. Marriott and Hyatt hotels) sell certificates which can be used at any properties within their group. Use of the certificate may be subject to availability at the time of the claim and may not be valid during busy periods.

It is important to note, the 'accommodation' industry may classify establishments into two groups according to whether the aim is to make a profit or purely work within the constraints of a budget and maintain a break-even situation.

- Profit making establishments such as hotels, restaurants, contract cleaning companies.
- Non-profit making establishments such as provincial hospitals, senior citizen's homes, student residences.

## The Role of the Accommodation Manager

The responsibilities of the accommodation manager will include some, or all of the following, or the supervision of another staff member in these specific areas:

- Assessing manpower requirements
- Recruitment and selection of manpower
- Induction and training of manpower
- Deployment and scheduling of manpower
- Supervision of manpower
- Quality control
- Inspection of premises
- Developing standard methods for performing tasks
- Increasing productivity
- Welfare of personnel
- Hygiene control
- Pest control
- Waste control
- Selection and purchasing of supplies (cleaning agents, equipment, etc.)
- Selection and purchasing of "linens" and soft furnishings
- Selection and purchasing of all surfaces (floor coverings, wall coverings, furniture, etc.)
- Stores control

- Linen control and laundering
- Cleaning and maintenance of the premises and plant
- Redecoration and up-grading schemes
- Capital building projects
- Interior design
- Health, safety, fire and security arrangements
- Care and welfare of the building user that is the client or personnel.

## (Note: this list is not exhaustive)

In certain types of establishments, such as hotels or conference centres, the accommodation manager may also be responsible for front office operations and conferences. Accommodation management is a well-established activity in certain types of operations (e.g. hotels, hospitals and halls of residence. These all tend to have a well-defined organisation structure).

# The Client

It must be remembered that the client, whether identified as a customer, guest, patient or student, for example, is of the utmost importance because the premises and services are provided for his or her benefit. In some accommodation facilities, for instance, in a hospital, it is easy to forget that although a 'service' is taking place within the building for each patient, the manager of that accommodation (the hospital) does not usually have direct contact with the individuals staying there. In this example, the primary purpose of the hospital is obviously the care of the patients; the management of the facility is secondary to that as far as the patients (the service users) are concerned. In short, accommodation managers' roles vary considerably depending on the purpose of the accommodation. The health, safety, welfare and comfort of the client are of the greatest importance.

# Accommodation Charges

The tariff may be affected by various things including:

- Property location
- Room location (within the complex)
- Room features
- Property facilities (e.g. pool, gym etc.)
- Guest services (e.g. 24-hour room service, secretarial service etc.)
- Dining facilities

# **ESTABLISHMENT SIZE**

Establishments can be very small, in only one location; or very large in many locations (or anything in between). Hotels are small or large because:

- The extent of the market
- Nature of the product
- Difficulties of exploiting technical economics of scale.

There are only so many people who demand accommodation in a given area, and it is the number of people and the extent of the accommodation which determine the optimum number of bed spaces. There is clearly no point in building a two-hundred-bedroom hotel if the maximum demand for most of the year is only one hundred bed spaces.

Some people prefer smaller hotels, while others prefer larger ones. Both have unique advantages and disadvantages (medium sized hotels may have neither the advantages or disadvantages of being small or large).

The hotel industry does not simply sell food, drink and accommodation. Service is a vital element in the overall product.

# Small Hotels

- May situate in locations with less visitors, or where the property is cheaper
- Can provide a more personal and sometimes even a friendlier, personal service (because fewer staff tend to interact more with guests)
- May find it difficult to exploit the technical economics of scale

## Large Hotels

- Can take advantage of economies of scale
- Need to locate in high traffic areas, or else do something to attract large numbers of visitors
- May need to work much harder to attain the same efficiency and effectiveness of service.

## **Economy of Scale**

Economies of scale suggest that as an establishment grows, or increases its output, its average output cannot fall. In other words, the establishment becomes more efficient. Technical economies are those resulting from the use of machinery. Examples from the catering industry would be washing up machines, cleaning equipment, electronic billing machines and computers. All these are found in the hotel and catering industry, but more in the larger establishments. A small hotel or restaurant may not find it economically viable to use some of the expensive items of equipment, and they would need considerable capital to undergo expansion in order to make this equipment a viable proposition. For these reasons, units which start small tend to remain small.

## Growth

Most growth in the hospitality industry occurs through the establishment of additional outlets rather than through the existing outlets growing in size. As said earlier, the size of units is limited by the size of the market. The land upon which they stand may be well developed, and nearby property may not be available. If the owner of a single successful unit wishes to expand, he might do so not by increasing the size of existing accommodation facility, but by opening up new units in different areas. Hotel chains are developed this way. This also may occur because of takeovers and mergers. Such expansion is called horizontal integration - the growth of firms by the multiplication of similar units at the same level of production. In the hotel and catering industry, most of this occurs at the retail level.

Establishments can also grow by expansion along the line of production. This can be:

- Backwards (i.e. backward vertical integration)
- Towards the source of supply (i.e. vertical integration)
- Forwards towards the market place (i.e. forward vertical integration).

They may also expand by moving into different markets and selling different products (i.e. diversifying their product). This is called lateral integration. The simplest examples would be a hotel which provides a pub lunch or a bakery which opens a snack bar and a take-away service.

## Why Hotels May Wish to Expand

Reasons for growth are many, and may include:

- Simple desire to make a profit
- To become more efficient by exploiting the economies of scale
- Need to guarantee outlets for products and supplies of raw materials
- Wish to increase market share.

Don't necessarily assume all businesses attempt to maximise profits.

Maximising profit is a common goal; but some hotel owners may prefer to sustain a level of activity that gives them the life they want, rather than expand and have to deal with the prospect of increased risk and stress.

By increasing their size, firms can decrease their average costs because the fixed costs are spread over more units of output. The use of machinery can help firms to achieve greater efficiency through greater output and these are known as technical economies. Marketing economies are achieved by large firms because their marketing costs are spread over many establishments. For instance, a television advertisement campaign can be undertaken by an organisation as large as Kentucky Fried Chicken, but it could not be contemplated by the owner of a single hotel or restaurant.

Buying economies are achieved by bulk buying. Larger hotels have more capacity to bulk buy, and in turn claim larger trade discounts.

Large hotels employ specialist managers and thus exploit managerial economies, for example:

- Food and beverage managers
- Reception managers
- Personnel managers
- Health club managers
- Maintenance managers

The small hotel owner has to carry such functions and many others by himself.

#### Definition: Risk Spreading Economies

Spreading risk through operation in different locations and by selling different products

Financial economies refer to the fact that large organisations find it easier and perhaps less expensive to borrow money for investment purposes.

#### FRANCHISING

Franchising combines advantages of small establishments with those of large-scale production.

It also shows how the vertical and horizontal integration can take place within the same organisation.

## **Definition: Franchise**

A franchise operation is a financial and business arrangement between two parties

- A franchisor and a franchisee.

**The franchisor** is the central part of the organisation. He will develop a product, find retail sites for that product, manufacture and distribute the product, and advertise it on a large scale. He will then find people who are willing to put some capital into the organisation and run the outlets on strictly standardised lines. These people are known as the **franchisees** and they will run a relatively small organisation, building up close contacts with their customers and giving a personal service.

Thus, the franchisor does those things which are best carried out on a large scale, which the franchisees carry out those operations which are best suited to small units.

The manufacture and supply of the products to the retail outlets is an example of forwarding vertical integration. The chain of retail outlets is an example of horizontal integration.

The promotion of brand image is an essential feature of such organisations. The product must be presented as a standardised package. Items sold must be of a uniform standard. Menus must contain the same items which might be identically priced. The units themselves have an identical appearance from the outside, therefore, they are easily recognised by potential customers, and they have identical decor and layout inside so that customers feel that they are in familiar surroundings. Even the staff uniforms are identical from unit to unit.

The main reasons for the growth in this particular form of organisation within this sector are threefold.

- It partly overcomes the problem of lack of capital because contributions are shared between franchisor and the franchisees.
- There have been many technological developments and new products which are nationally acceptable.
- During the last decade, many good sites become available because of a recession in other parts of the economy.

One thing which is not standardised about franchises is the franchise agreement itself. This is the financial and legal arrangement between the franchisor and the franchise.

# **Franchise Agreements**

A franchisee normally must pay a "joining fee" as a contribution to the capital of the organisation.

In return they get the right to sell the franchisor's well known and well-marketed product in a given locality; provided that they buy supplies from the franchisor and sell goods/services in the standardised style.

Other monies (e.g. rent) may also be payable by the franchise, and they may pay slightly more for supplies than in a free market situation. The franchisor may also take a percentage of sales or profit made.

Agreements may be individually drawn up and customised differently for each franchise.

# **HOTEL MANAGEMENT**

## **Semantics**

Different members of staff in a hotel may have different ideas about the meaning of words, and those differences can create problems for a manager.

Consider a hotel manager who has six department heads who each have a very different concept of what a manager should do, or what is required when they are asked to present a plan.

Managers (at any level) need to ensure everyone is speaking the same language. An important role for any manager is to diffuse any semantic differences (i.e. differences in perception).

One common point in the confusion may lie in the word "organisation". For instance, this word can mean specifying the tasks each individual performs, but to others, it may be interpreted as specifying the tasks each workgroup performs. If a manager tells a department head to organise their department, they may get different responses from different managers unless they broadly specify the level of organisation they require.

Other semantic differences may be mentioned.

- Decision-making is regarded by some as the act of choosing a course of action from among alternatives. Others consider decision-making to be the total managerial task and its environment.
- Leadership and management are considered to be the same thing by some, and yet very different from others.
- Communications may mean anything from written or oral reports to a vast network of formal and informal relationships.

Before proceeding in greater depth, it is useful to consider some definitions:

# (a) Planning

This is defined in a dictionary, as "a way of proceeding". However, planning involves the selection of organisational and departmental objectives as well as the determination of the means of achieving them. It is thus a rational approach to pre-selecting objectives.

A plan may be described as "a statement of objectives which are to be attained in the future and an outline of the steps which are necessary to reach them".

Planning is the design of the desired future and of effective ways of bringing that about.

## (b) Policy

Defined as; political sagacity, prudent conduct. A policy is a standing plan, which is used over and over again to guide specific actions. In addition, policy serves as a key role in spelling out and clarifying strategy. To put it simply, a policy may guide our thinking in decision making. It is also a major management tool for securing consistent behaviour.

## (c) Strategy

This is defined as "the art of planning and directing".

"Policy" becomes fairly well understood then management literature began to use the term "strategy". This had the result of thoroughly confusing the meaning of and relationship between strategy and policy.

A strategy involves taking a broad company view and determining major targets for company action.

Emphasis on strategy puts more stress on anticipating change, and thus a continuing agile adjustment of policy becomes critical. The strategy is a decision about how to use available resources in order to secure a major objective in the face of opposition. Opposition usually refers to competitors.

## PLANNING

The first step in planning is to set objectives. These objectives or goals are the ends towards which activity is aimed. There are many objectives which range from overall organisational objectives to departmental objectives. One is related to the other, but they may not necessarily be the same. For example, two overall hotel objectives of the company may be:

- To make a certain gross profit.
- To cater for mainly a particular type of customer (e.g. business travellers, families).

An individual hotel's objectives may be:

- To reduce costs by standardising menus and reducing the variety of items on the menu.
- To concentrate on the four largest companies in the local area from which the conference business will come.

Objectives are then required to facilitate those goals. These are targets to aim for, but they must be realistic or achievable targets.

Almost everyone plans their daily activities by setting objectives, whether written down or not. For example:

- A housewife having to prepare a meal for \$19.00.
- A gardener having complete maintenance of a section of the garden within two days, and within a certain budget.
- The restaurant manager aiming to sell twenty portions of salmon during a meal service.

These are only a few examples, but they are useful to illustrate that there is nothing mystical regarding objectives and that many people in business probably set them mentally. In a hotel, there should be a hierarchy of objectives which all lead to the achievement of company objectives.

For every business organisation to be successful it is imperative to have a clear and detailed focus on:

- What they are selling
- Current status of business activity (low season, high season, a period of growth, high or low profit etc.)
- Current status of business health (i.e. capacity to improve/sustain business activity)

Objectives are necessary in every area where performance and results directly and vitally affect the survival and progress of a business.

# Developing Objectives for a Hotel

- Decide what it means to manage a business.
- Spell out targets (what results are to be aimed for?)
- Decide what is needed and how to work effectively to best achieve these targets.
- Objectives should be lasting, definite, written down and communicated clearly too all employees.

Following are areas that have been identified in which objectives of performance and results have to be set:

- Market standing
- Innovation
- Productivity
- Physical and financial resources
- Profitability
- Manager performance and development
- Worker performance and attitude
- Public responsibility

Having set the objectives planning can now be carried out.

- Planning is something which is done in advance of taking action. It is anticipatory decision making.
- Planning is required when your determined goal(s) requires a set of inter-dependent decisions.
- Planning is a process directed towards achieving one or more targets which are not expected to occur unless action is taken.

Planning is thus concerned with both:

- Avoiding incorrect actions and
- Reducing the frequency of failure so as to exploit opportunities.

When considering planning, there are certain questions which must be asked. These include:

- What is really meant by the term "planning", and how does it relate to other aspects of the managerial task?
- Different plans may be used; what are the advantages of each?
- What are the parameters which govern planning, both as regards detail and extent?
- What basic steps must be taken in order to develop plans?
- Can the process of planning be simplified?

Planning is part of a cycle that makes up a manager's role. Planning is a very broad concept and it could be subdivided into three main groups:

- Goals
- Single use plans
- Standing plans

Different types of plans can further sub-divided into a hierarchy. These can range from the very broad objectives of the company down to standard methods and procedures within individual work teams. Each different type of plan is then linked with the one which immediately precedes it and becomes more detailed at each stage.

As decisions are made in an organisation the successive stages of planning tend to cover narrower and more detailed areas of activity and clear recognition must be shown that each stage is subordinate to the one above and that each serves to implement the general plan. This hierarchy of planning is an aid to consistent action within the organisation as a whole and to full integration of the plans themselves.

# Goals

Goals may be sub-divided into:

# (a) Objectives

Which have already been discussed.

# (b) Budgets

These are numerically assessed factors which are used as a guide to anticipated future results. They must not be guesses, because they are to act as a guide to reaching further objectives, so that the budget figures can be compared with the actual results. Budgets may serve as control standards and also assist coordination between departments.

# (c) Performance Standards

These standards may be set up to express anticipated results of the organisation in terms of:

- Expenses
- Quality
- Quantity

Goals have a number of advantages in that they show where the organisation should be going and what particular business it should be engaged in. Goals make planning easier and facilitate the integration of standards. Goals can also be used to develop more refined planning processes, and they may serve as a form of control by checking the planned performance against the actual performance.

# Single Use Plans

These are plans that are designed to achieve a temporary (or time sensitive) goal.

Once the goal is achieved, there is no further use for that plan.

This may include such things as:

- An education Program
- A conference
- A major Event
- A special Promotion (e.g. Launch of a new facility with a period of special offers)

Once the plan is implemented, and the goal achieved, it is not needed again.

# A Hierarchy of Plans and Sub Plans

# (a) Programmes

These might be thought of as major stages within a plan. Each programme will be made up of a complex set of aims, policies, rules, procedures and the resources employed.

Example:

A training program may include:

• The training which is to be carried out and the aims

- How it is to be carried out
- By whom it is to be carried out
- The type of instruction
- The equipment and the establishments and the areas to be used
- How it is to be separated
- When and how often the training should be given
- The length of the program
- Any external courses required
- The outcome of the training

# (b) Projects

In this context, projects may be defined as parts of a larger program, but each project an entity in itself.

# (c) Detailed Schedules

A detailed schedule may be part of a project. Specifications and methods may be further steps in refining the process.

# **Standing Plans**

A standing plan is something that has ongoing application.

Example: A procedures manual continues to be used as a guide for operations year after year. It may be revised and modified as the years go by, but the basic intent for how the hotel operates will only see relatively small and gradual change.

# Long or Short-Term Planning

Short-term planning is concerned with periods of one year or less, while long-term planning is concerned with periods of over one year.

Long-term planning within the organisation is typically concerned with such factors as:

- New products
- New markets for existing products
- Internal reorganisation in order to give better productivity
- Mergers with other companies
- Development programmes for executives
- Environmental changes

While long-range planning may not be as accurate because the future is obviously unpredictable, it does help management to better take advantage of changes in the world than if it was not done at all.

If you don't consider changes in your business environment, or changes in technology, until they are with you, you are likely to be responding to these things too late to take full advantage of the situation.

It is important to remember that an organisation should plan ahead only so far as it is useful and where a reasonable degree of accuracy can be relied on. Traditionally, most organisations have thought three to five years ahead as their normal long-range planning period. Some, however, do plan as far as ten years or more in advance.

# POLICY

# **Types of Policies**

Policy is a major tool that central management uses to achieve consistency in behaviour of staff, hence consistency in service to customers.

Policy permeates the numerous daily activities of a firm and helps to establish a normal predictable pattern of behaviour. Policies have a hierarchy in that they range from general or major policies to derived policies which apply to the smallest section of the organisation. For example, a general or organisation policy may be to promote from within to achieve a high standard of ethics. Derived policy, at unit level, may be to hire only professionally qualified trainees. The latter policy is linked to the former in that they have the same aim in mind.

In many instances, policy may arise through the setting of precedents. Subordinates could interpret a decision which has been made by management as one which will set future policy. In other words, they try to anticipate the action which management will take by viewing previous decisions. This can be a problem if it is not the intention of management to set such a policy. Policies delimit the areas within which decisions are made, which should be complementary and contribute to objectives.

Policies should:

- Be a guide, and not a rule, therefore allowing for discretion
- Aid operational efficiency
- Aid coordination
- Instil confidence in decision making

Organisations may establish any number of policies, but the main general policy areas are:

- Marketing
- Pricing
- Product
- Purchasing
- Personnel
- Financial
- Innovation
- Social

From these policies are derived more specific policies such as sales, menu, customer, etc., which ultimately reflect the organisation's level of service.

# **Determination and Sources**

Item 8 (Social), in the above listing, is an example of external policy which many organisations subscribe to. They see their policies falling into the two areas of internal and external. Furthermore, there are also external policies which are enforced by the government, trade unions, trade associations and social groups. Legislation or pressure from these local or national groups temper, impose, or influence policy.

Further policy sources are:

# (a) Top Management

These flow from the general objective of the organisation. They may be broad or extremely specific and are sometimes described as "originated" in that they originate from the top executive authority.

# (b) Other Levels of Management

This form of policy may be termed as "appealed" in that subordinate levels appeal for policy making in areas where no policy exists.

# (c) Custom or Tradition

This has previously been explained as setting precedents which then become policies. It may also be termed "implied".

The formation of policies is dependent on:

- Organisational objectives.
- A change in the organisational environment (through legislation, economic change, etc.)
- The size of the organisation and its resources.
- Competition.

## SET TASK

Overall spend no less than 2 hours and no more than 4 hours attempting the following three tasks. Do not worry if some prove more difficult than others. Simply attempt to achieve what you can within the allocated time.

Set Task 1

Investigate the range of hospitality businesses in your district.

How many are there? What faction/section of the industry do they cater for?

Make notes for a brief report on what you discover.

Set Task 2

Contact a manager or senior staff at a local hotel.

Do this in person, by email, or via the telephone, and introduce yourself as a student.

Enquire about their establishment. Are there structured policies in place?

Make notes.

#### Set Task 3

Contact a local tourist bureau or contact your state's department of tourism. Carry our online searches as necessary.

How are hotels advertised and promoted in tourist brochures?

Are they rated in terms of facilities, cost, access, etc.? Explore the various the rating systems which exist in your geographical region and for the expanse of accommodation options available. Make notes on the standards available – this ideally will be investigated where you to work or intend to work.

How do they cater to specific clientele?

# Assignment 1

Question 1 Prepare a brief (1 paragraph) report based on set task number 1.

# Question 2

Can you see any opportunities that might be lacking in your district for hotel services and if so, list them; and explain why you believe these are lacking? Write no more than 1/2 a page.

Question 3 Report briefly (1 paragraph) on set task number 2.

Question 4

Report briefly (1 paragraph) on set task number 3.

Question 5

If you were to promote to two of the following social groups, what factors do you feel should be considered?

- Young families
- Older retired couples
- Singles
- High income mid-aged couples (no children)
- Any other group chosen by you.

Write a paragraph for each.

# TO FIND OUT MORE ABOUT THIS COURSE VISIT

https://www.acsedu.co.uk/Courses/Hospitality/HOTEL-MANAGEMENT-BTR202-349.aspx