

Chapter 6

Developing a Culture of Service Utilizing the Civil Society in Romania: Needs Assessment and Training Preparation for the Hospitality Industry



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Abstract The theme we intend to research in this paper is the creation of a culture of services in Romania, understanding the hospitality management sector. The focus will be on the analysis of training initiatives within the hospitality industry in comparison with the hospitality industry in the western, more developed nations that benefit from significant data and studies already undertaken. There is a necessity to analyze the individuals who comprise this service sector, who they are, how do they behave, what motivates them, what results do they currently generate, and how can corporate training better equip and train them to achieve a higher, more western level of quality of service. Further, we plan to analyze and understand the current industry perspective along with its values, norms, and practices that can be improved through education. This would, in turn, improve the overall customer satisfaction, increase sales, and enhance the profitability and long-term sustainability of those companies that would excel in providing such superior service.

Keywords Hospitality management · Service sector · Training · Tourism

6.1 Introduction

Business has long recognized the need to be hospitable, to be of service and to win customers. Morrison and O’Gorman (2008) summarized general principles of hospitality, including matters of business principles, guest principles, hospitality

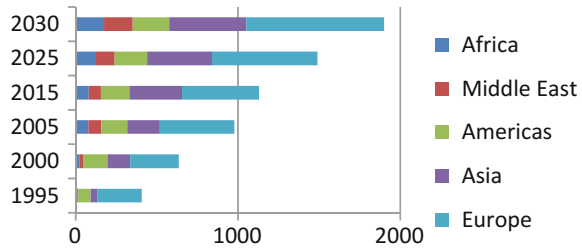
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S. A. Văduva et al. (eds.), *Civil Society: The Engine for Economic and Social Well-Being*, Springer Proceedings in Business and Economics,
https://doi.org/10.1007/978-3-319-89872-8_6

Fig. 6.1 Projected international tourism arrivals. *Source* (Statista 2016)



provision principles, staffing principles, and management principles, further suggesting a direct correlation between training methods adopting advance hospitality curriculums in efforts to support local businesses. The learning and training experience that incorporates a liberal and vocational approach is more likely to prepare professionals for tomorrow’s industry leadership. Payment for services rendered has been at the heart of the business transaction since internal tribal trading for resource allocation (Adams 1974).

Simon Cooper of Ritz Carlton talks about customer service and hospitality this way; *“If you equate customer satisfaction with meeting guests’ expectations, we equate customer loyalty to that element that surpasses expectations. We try to layer experiences and an outstanding memory on top of a perfect stay”* (Gensler 2006). Mr. Simon Cooper goes on to discuss the original slogan for Holiday Inn “no surprises.” He feels that today hoteliers like Ritz are in a different business where consistency exists in the hotels that expect loyalty and repeat business believe that creating experiences and memories is critical to the customer of today.

In business tourism and those services that are expected and desired go hand in hand. Tourism and hospitality services affect almost every country in the world. Services are increasing at a quicker rate than agriculture and manufacturing combined. Tourism-related business is the leading producer of jobs all around the world. Tourism has developed into a truly international business that knows no political, ideological, geographic, or cultural constraints. Tourism can survive a recession because it is often viewed as a necessity and performs very well during expansions seen as a luxury good; travel and tourism’s future economic forecasts look bright. Growth prognoses indicate that tourism will support nearly 350 million jobs worldwide by 2025. That’s an increase of over 78 million jobs when compared to 2015 (Cook et al. 2018) (Fig. 6.1).

Tourism and hospitality have become more than just the leading industry; it is now a vital component of the economic makeup of most communities, regions, and countries. Activities have historically followed an upward trend in numbers of participants as well as revenues. The tourism industry responds well to economic ups and downs, and then at the same time is able to quickly come back from negative economic factors impacts. Even during the dramatic 2008 mess, the influence on international travel and tourism was not as significant as the downturn experienced in foreign trade and industrial production. Over the past 60 years, tourism has experienced continued

expansion and became one of the largest and fastest growing economic segments around the globe.

6.2 Hospitality as a Relationship

Hospitality is a relationship between individuals who adopt roles of host, or roles of the guest. The host provides for the well-being, comfort, and entertainment of the guest. Typically, hospitable behavior includes offering food, drink, sleeping accommodation, and entertainment. Alternatively, hospitality can mean providing comfort and a location away from the guest's home, which is secondary, or irrelevant to the act of hospitality itself. Essentially, hospitality represents the cordial reception, welcoming and entertainment of individuals from diverse social backgrounds and cultures into one's home to dine, or to lodge, temporarily. Depending on circumstance and context, the degree to which the hospitality offering is conditional, or unconditional, may vary.

Additionally, this relationship between host and guest may be commercial or private (e.g., social). In a commercial relationship, the guest's only obligation is to pay and to behave reasonably. The guest holds power to go elsewhere for service if the hospitality provided is not satisfactory. Private, or social hospitality, assumes an equality of power and the guest has a social obligation to contribute to the relationship by being good company, as well as to reciprocate to the host in some way.

Further, keys to successful hospitality, in both commercial and private spheres, include knowing how to please the guest and how to deliver services flawlessly and generously. Moreover, hospitality is a process that begins with the guest's arrival and upon arrival, being hospitable involves the host greeting and making the guest feel welcome, providing comfort and fulfilling the guest's wishes. The process concludes upon departure, at which time, the host thanks the guest and extends an invitation to return. At each step of the process, these courtesies, or social rituals, define the status of the guest and the nature of the guest-host relationship.

Regardless of the length of time, it takes for a service provider to deliver a particular service, a relationship develops between the guest and host. Skilled hosts have a mannerism and method about them which allow them to establish that relationship. While that skill is on an understanding of a biblical mandate, the golden rule or some other foundation important to the host, the ability to build rapport or relationship it is critical and foundational to establishing the relationship between host and guest.

6.3 Failures of Hospitality Services

Blum (1996) summed up service failures in the hospitality industry as follows: "*How management defines quality service is insignificant; how the customer defines it is paramount*" (p. 25). When individuals faced with violations of justice, or in the case

of hospitality, receive service that has not met their expectations, they may adjust their beliefs, so that they value their outcomes as equal to those of the other group. In other words, they may rationalize differences by belittling the service provider (Stone-Romero and Stone, as cited in Beldona and Karthik 2006). Receiving poor service may cause customer reactions that include decreased satisfaction and loyalty, as well as a higher propensity to switch service providers. Such attitudes can lead to behavioral reactions, such as negative word-of-mouth and a customer who simply will not come back (Beldona and Karthik 2006).

Based on that, arguably, one of the best times to measure and examine customer reactions and how they feel about an organization is when service has gone bad. Interactions between customers and service providers include a mix of social, work, and consumer behaviors. As such, it is reasonable to expect that customers' cultural orientations will influence how customers experience and evaluate service failure and recovery and make judgments concerning fair treatment (Mattila and Patterson 2004). Again, the ultimate judgment about the fairness of treatment rests solely with the customer.

Scholars have argued that influential forces such as colonialism and its legacy, foreign education, media, economic modernism, travel and indigenous culture, moderate people's birth cultural values and affect consumer behavior (Schutte and Ciarlante 1998). Behavioral dispositions allow an individual to protect a social self and function integrally in society. Research supports the importance of interactional justice as a potential threat to many of our core values. Mattila and Patterson (2004) observed that people from Eastern cultures tend to have an interdependent view of self. Consequently, interactions with others are a salient measure of one's self-worth. The implication for hospitality service providers is to manage service interactions efficaciously and assiduously to meet customers' needs and expectations.

A firm's service management approach targets how customers from similar or different cultural source markets make sense of and assign meaning to service interactions. A key measure of service satisfaction score follows failure and subsequent recovery, or lack thereof. However, most insights about service failure and recovery issues are derived almost exclusively from Western societies. It is not clear to what extent such insights are generalizable across cultures. For example, Clark (1990) suggests that principles of customer satisfaction derived from studies of Western consumers are less appropriate for universal application; and Schutte and Ciarlante (1998) are known for their attempts to apply consumer behavioral theories across cultures, but these attempts have been proven ineffective, unless those theories are modified to account for cultural differences.

Studies have shown that customers of different cultures evaluate service quality differently and exhibit different complaint behavior in hospitality settings (Cheung et al. 1999; Liu et al. 2001). There is also evidence of cultural differences in the perception of service failure and service recovery provision (Magnini and Ford 2004), as well as perceptions of justice in complaint handling (Mattila and Patterson 2004). Therefore, the customers recognize both good and bad experiences, which lead to brand loyalty to the specific providers of hospitality services.

The globalization impact is key to this examination of the customer experience. Globalization has produced a consumer base high in cultural diversity and makes culture a critical consideration when managing customer relationships (Becker 2000). The success of any strategy to recover a failed customer relationship will depend on some interrelated factors, one of which is the individual expectations of the customer and social and cultural norms that define appropriate behaviors from that customer's perspective. Expectations are not homogeneous across all customer segments, and important differences must be recognized if a recovery effort is to succeed. Failure to recognize these meaningful differences may amount to a recovery mistake that is worse than no attempt at recovery at all.

In the twenty-first century, the term service recovery is used to describe any actions designed and implemented to alter negative perceptions of dissatisfied customers (Schweikhart et al. 1993). The service recovery strategy, including the management of service failure events of an organization, must be culturally relevant, suggesting that it must have accurate insights into customers' culture because these values often determine preferences for problem management (Becker 2000). Evidence suggests that service recovery efforts have more influence on a customer's overall satisfaction and future intentions to repurchase than a well-executed initial service encounter (Sprenge et al. 1995).

6.4 The Hospitality Industry in Romania

According to the National Institute of Statistics, Romania was host to over 1.5 million foreign tourists through October of 2013, a 3.5% increase over 2012. Previously, Romania has experienced a decrease from the years 2008–2010, after reaching a maximum value of 1.55 million arrivals in 2007, as reflected in Table 6.1.

Due in large part to the economic crisis in 2008 and 2009, Romania lacked the appeal of foreign visitors. In 2011, only 22% of all visitors were generated by foreign countries. This value is tremendously low as compared to Bulgaria for example; which was nearly 68% (Bulgarian Institute of Statistics, 2012). This lack of foreign visitors, as a competitive measure, is reflected in the classification elaborated by the World Economic Forum, as part of the Travel and Tourism Competitiveness Report World. Romania ranks 63rd in this classification and is lagging behind even smaller but growing economies in the EU like Czech Republic 31st, 33rd ranked Slovenia, 34th ranked Croatia, 38th ranked Hungary, 48th ranked Bulgaria, 49th ranked Poland, and 54th ranked Slovakia. There are simply far too few private tourism entities that are organizing and providing or permitting, public visits with the main cause of this being weak support of public authorities.

There remain close links between tourism-related needs and other growth priorities, and the strong support for tourism development is noticeable. Moreover, tourism needs and plans would more than likely contribute to the creation of a competitive regional profile for potential visitors to experience, in which tourism would be correlated with other economic and social activities, to increase regional employment and

Table 6.1 Comparison of Romanian Tourists 2013 versus 2012

Year 2013 compared to year 2012						
	Arrivals ^a			Overnight Stays ^a		
	Year 2012 thousands	Year 2013 thousands	Year 2013 compared to year 2012 (%)	Year 2012 thousands	Year 2013 thousands	Year 2013 compared to year 2012 (%)
Total	7653.4	7918.5	103.5	19091.4	19301.8	101.1
Romanian tourists	6000.0	6204.0	103.4	15799.9	15830.6	100.2
Foreign tourists ^b out of which:	1653.4	1714.5	103.7	3291.5	3471.2	105.5
• Europe	1344.2	1381.0	102.7	2662.2	2793.3	104.9
• The European Union	1158.3	1184.1	102.2	2272.0	2364.3	104.1
• Asia	148.3	168.4	113.7	313.3	360.0	114.9
• North America	103.7	105.6	101.3	190.6	194.9	102.3
• South America	12.7	12.0	94.5	27.6	25.9	93.8
• Africa	14.1	13.8	97.9	42.7	32.5	76.1

Source The National Institute of Statistics Tourism—December 2013

^aRegistered in the establishments of tourists' reception

^bBy the country of residence

income. Along with challenges specific to infrastructure, security, marketing, and delivery, talent (people) to implement all the preceding is required in every phase, product and delivery; therefore, that talent becomes the centerpiece in any growth planning that envisions tourism as a significant factor.

In 2013, the National Tourism Authority, the National Tourism Research, and Development Institute and the Romanian Ecotourism Association, created a set of criteria consistent with and based on priorities defined by the National Strategy for the Development of Ecotourism in Romania 2009. One of these criteria refers to the establishment of a minimum level of tourism services (e.g., accommodation and catering facilities, tourist rescue services) and public services, such as ATMs, medical and educational facilities, waste collection system. Specific issues related to the measurement of satisfaction lead to corrective management actions, ensuring the provision of quality services (Association of Ecotourism in Romania, 2015).

During that economic downturn and from 2010 through 2015, Romania began to reverse the downward trend and found the formula for growth. In fact, since 2015 and again in 2016, Romanian tourism revenues not only maintained but outpaced similar period over period results in all of Europe. Additionally, Romania lagged behind

the EU average in service sector employment statistics. From 2000 to 2012, the EU reported an increase in service sector employment, from 62% to 70%, respectively.

However, in Romania, a mere 43% employment in the service sector was reported. This trend reversed in 2013 as Romanian GDP began an upward trajectory, subsequently outpacing all other EU economies. It seems evident that Romania is on the uptrend and rising in Tourism revenues. Additionally, there exists a tremendous upside. Statistics released January 2017 show Romania as enjoying less than 1% of the total room nights occupied for Europe as a total (Baltescu and Borcor 2014).

Romania is no different from the rest of the world and has enjoyed even more significant growth. According to the National Institute of Statistics, Romania was the choice for 1.5 million visitors through October of 2013, more than a 3% increase on the year before (Xia 2015). Since 2015, the Romanian economy has outpaced the other European Union economies. The tourism was supported by two distinct components: landscape and historical, which have helped to provide economic growth.

Today, the definition of tourism and hospitality includes a wide array of people, activities, and facilities, and most would agree that it is comprised of a unique group of industries. Services are tied together by a common denominator. No matter the industry, if the service provider caters to a traveling public, hospitality will be central to generating new guests and especially to the notion of creating a repeat client. Much debate exists as to be the exact definition of tourism. Critics have even suggested using a different more far-reaching term such as *visitor-service industry* to describe the traveling public and the services of demand. No matter the definition that one chooses for tourism, it doesn't take significant imagination to see a common thread of hospitableness throughout. Hospitality is a business and one that is significant, generates revenue, and creates jobs.

Consistent with this industry growth and world view, tourism and tourism development in Europe and especially the EU is strong, albeit, not uniform. The development of the tourism industry relies not only on policies and strategies elaborated and adopted at the EU level but also on the policies of each country within the EU as their participation is critical. According to the Eurostat Statistical Yearbook from 2012, the main EU tourist's regions are concentrated in only six countries; those being Spain, France, Italy, United Kingdom, Austria, and Germany. These are recognized countries and destinations that enjoy a long tradition in tourism. However, other countries with less developed do not enjoy the same revenues from tourism; countries like Latvia, Lithuania, Estonia, Slovakia, Bulgaria, and Romania are among regions with the least tourist's arrivals (Blanke and Chiesa 2011). In fact, the SW area of Romania called Oltenia remains the region with the least tourists from outside Romania; only 3.1% of the total number being foreign (National Institute of Statistics 2012).

Romania's joining the European Union has favored the growing involvement of decision factors at the national level for the valorization of cultural heritage as part of the European cultural heritage. In this respect, Romania introduced a National Cultural Heritage for the period 2008–2013, which generated increased performance in the operational framework of cultural heritage management and the quality increase

of the heritage field by sustainable investments in preservation, training, and management of sites.¹

6.5 Conclusions

International tourism and hospitality have emerged and developed as the world's largest most robust sector, a rapidly growing industry, which impacts not only the global economy, but also the local economy, Romania being an illustrative example of this reality. To become and maintain a successful local and international tourism service provider, industry professionals need to understand the cultural differences among consumers, as well as between tourists and the society within which they live and thereby serve those guests and tourists (Meng Fang 2010). Identifying the kind of relationships that are acceptable and desirable is important because cultural influences are involved. Understanding what it takes to survive and thrive in today's international hospitality economy is beneficial for any company and can help position that company for expansion and profitability. Those companies whose leaders can listen, learn, adapt, and change to meet customer needs are better equipped to survive and thrive. Those companies whose leaders refuse to do so will likely fail.

The findings that Romanian managers feel that older employees are better qualified to meet customer expectations could lead to hiring practices that deliver an older workforce. The associated risk could eventually lead to a failure in meeting a younger clientele need state, as millennial customers might interact more positively with younger hospitality staff. Additionally, maintaining an older workforce could also minimize talent development for future and expected employee turnover among the older staff.

Younger employee development is not new, but is further supported in this study. Training material in the areas of problem-solving and interpersonal skills were present in younger applicants, Romanian managers might feel more secure in hiring younger staff. A younger staff ensures that hospitality companies can meet the needs of younger patrons, while also ensuring a longer period of employment among qualified staff.

Companies in Romania are established and exist to generate bottom line profits, and therefore any increase in the satisfaction of consumers that translated into an increase in higher patronage and subsequent higher profits is good. This western standard of hospitality then, being already established and measured, at least in other countries and cultures, provides a target or groundwork for Romania and its schools and institutions. If hospitality industry leaders were to seek employees who provided a higher level of service to customers, specific training in the identified areas of this study makes the most sense.

¹Baltescu, A. & Borcor, D. (2013). Bulletin of the Transilvania University of Braşov Vol. 6 (55), No. 2-2013 Series V: Economic Sciences An Analysis of the Cultural Tourism Development in Romania.

Finally, graduates of hospitality programs in which training methods were tailored to meet the needs of the marketplace would be better prepared to move into companies and have a prompt and positive effect on the bottom line of their employers. Thus, also providing a lift to the overall hospitality industry output in Romania and subsequently adding value to the economy.

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