

Chapter 73

Knowledge Management and Quality in Croatian Tourism

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ABSTRACT

Knowledge is an infinite resource of hotel enterprises and society as a whole. In hotel enterprises, it serves as a platform for practising sustainable development and gaining competitive advantages. Knowledge-based economic development provides the best opportunities for dealing with a global environment in which rapid and dynamic changes are taking place. Seen as a precondition to success, Knowledge Management (KM) will result in generating value-added in tourism. A survey was conducted in large and mid-sized hotel enterprises to demonstrate their KM level and the contribution of KM in gaining competitive advantages in the Croatian hotel industry. Empirical research was used to establish the level of KM development in the Croatian hotel industry, and to determine the importance of KM in gaining competitive advantages in the hotel industry. In addition to knowledge, quality is a vital factor in gaining competitive advantages in hotel enterprises. Globalized markets and increasingly discerning customers, demanding more and more for their money, are compelling product and service providers to ground their business systems on customer needs. Total Quality Management (TQM)—a new management philosophy—enables the systematic application of these ideas. This chapter looks at several TQM approaches that define the basic elements essential to successful TQM implementation, in particular, the element pertaining to employees. The application of these elements in the Croatian hotel industry is presented through the results of empirical research on a sample of mid-sized and large hotel enterprises.

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INTRODUCTION

The long-term success and sustainability of tourism will be linked to the ability of a destination and its stakeholders to foster innovation in its everyday business. Organizations and companies in tourism are under constant pressure from global competition. They have to improve constantly the quality of their products and services. Factors that will influence innovation in tourism include the economic competence of stakeholders, clustering of resources, including the tourism product, knowledge, and skills, understanding the tourism network and the relationship between stakeholders, entrepreneurial capacity, the involvement of local government in the innovation process, and the effective production and distribution of knowledge throughout the tourism network. An innovation policy in tourism should seek to promote coherence and synergy effects throughout the tourism industry and encourage greater cooperation between state and regional levels, and between municipalities and the business community. Knowledge will become the single unlimited resource of society and the base on which businesses and industries can build sustainable operations and gain competitive advantages.

The difference between new forms of tourism and tourism in the past is reflected primarily in the input of activities related to education. Life-long learning is needed to achieve sustainable tourism development. This education should be available to all stakeholders and should focus on understanding the connection between people and the environment.

In a knowledge-based economy, Knowledge Management (KM) emerges as a new tool for and new approach to Total Quality Management (TQM). The connection between the two is primarily seen through the great importance of human capital and, in particular, the development and education of employees as a prerequisite for achieving competitiveness and fostering innovation.

TQM differs in many ways from conventional management, and it is seen as a new challenge to many companies, around the world, striving to achieve business excellence. Although TQM was developed primarily in manufacturing companies, the advantages it provides were soon recognized, leading to its application in the service sector. Hotel enterprises soon realized the value and power of quality. Defined as understanding and meeting the needs, wants and expectations of guests, quality is today a unique force, driving and guiding hotel enterprises to provide services that will not only match guest expectations, but exceed them as well.

When it comes to implementing TQM, a variety of approaches can be used. All approaches, however, contain common elements that are essential to TQM implementation. These are the management commitment and leadership, customer-orientation, continuous improvement, employee involvement and management by facts. This chapter focuses on employees and their role in the process of TQM implementation, with emphasis on education and training, and presenting the current situation in the Croatian hotel industry.

BACKGROUND

Knowledge Management (KM) implies the systematic management of knowledge needed to accomplish business objectives and achieve sustainable development, as well as carry out related processes, to ensure competitive ability and business excellence on the global market (Črnjar, 2010). KM has emerged as a response to changes in the innovation process, among other things. Innovation is seen as the integration of knowledge with action, in the sense of blending the specialist knowledge of a range of groups into specific outcomes of either product or process change. Implementation is thus seen as an integral element of innovation (Leonard-Barton, 1998).

While investment in technology, equipment, and processes is very important, it is not enough.

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