THE IMPLEMENTATION OF HI-Q QUALITY MANAGEMENT SYSTEM CASE: DREAM HOSTEL

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ABSTRACT

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Dream Hostel is a well-known hostel located in Tampere, Finland. In 2012, the hostel acquired the HI-Q quality management system, developed by Hostelling International. The quality management system was acquired because Dream hostel wanted to improve their company processes and organizational management. The audit process was completed with excellent results in May 2013 and Dream Hostel earned the official HI-Q seal of quality.

The purpose of the thesis was to find out the changes in Dream Hostel that were caused by the recently acquired HI-Q quality management system.
Moreover, the thesis also examined the audit results and found out what can be done to reach the maximum audit score.

It was found out that HI-Q affected many aspects in Dream Hostel, but most importantly, it improved integrity and systematic work. HI-Q did not have a massive impact on Dream Hostel's daily routines, but it created a more standardized and manageable work environment. Information became easier to find and in the end, staff members have a better understanding of their workplace.

Dream Hostel passed the audit with a remarkable 93% score. Four audit questions did not receive the best grades and those questions were analysed more thoroughly.

Main recommendations given in the thesis are that in order to reach the maximum audit score, Dream Hostel needs to write an action plan which clearly demonstrates planned actions for next year, how to do the actions, what resources will be used for the actions, when are the actions to be done and finally, has the objective been completed.

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Key words: quality management, hostel, HI-Q

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1 INTRODUCTION

1.1 Description of the company thesis was made for

The final thesis was done for Dream Hostel (DH), which is a family run design hostel located in Tampere, Finland. Dream Hostel (FIGURE 1) was opened in 2010 and currently has beds for 90 customers. Dream Hostel offers various rooms from twin rooms to sixteen people mixed dorms. DH also offers multiple extra services for example a fully equipped kitchen, bike hiring, parking space, laundry service, Wi-Fi, books and magazines and free tea and coffee for customers.

FIGURE 1. Dream Hostel logo

Dream Hostel is a member of Hostelling International Finland (SRM – Suomen Retkeilymajajärjestö). Hostelling International Finland (SRM) is the national association of Hostelling International (hihostel.com), a federation of thousands of hostels around the world. Dream Hostel was chosen as the Hostel of the Year in 2011 by Hostelling International Finland. Other notable honours are Hostelworld.com HOSCAR Awards: Best hostel in Finland 2010, 2011, 2012, HostelBookers.com: Best Atmosphere Award, November 2010 and Guardian magazine's TOP 10 Luxury Hostel in Europe.

One major customer group for Dream Hostel are the tourists visiting Tampere by Ryanair's budget flights. These visitors are usually looking for a low budget accommodation compared to traditional hotels. The customer base of DH is 30% Finnish customers and 70% international customers. The age spread is wide (from small children to elderly people) but the average visitor is around 25 years of age.

Dream Hostel arranges minimal marketing events through the year, including board and video game evenings and theme weeks.

In January 2014, Dream Hostel employed eight employees and a few additional trainees.

1.2 Background information on the thesis topic

Dream Hostel was looking for ways to improve their company processes and organizational management. In order to achieve this, the company acquired the HI-Q quality management system, developed by Hostelling International. The audit process was completed with excellent results in May 2013 and DH earned the official HI-Q seal of quality.

1.3 Thesis purpose and goals

The purpose of the thesis was to write a practical report which analyses the changes in Dream Hostel that were caused by the recently acquired quality management system (QMS). Moreover, the thesis also examined the audit results and found out what can be done to reach the maximum audit score. One part of the thesis was to go cover all the main systems that have changed since HI-Q was implemented.

The thesis also examined why certain processes are done in certain way. The overall goal and objective of the thesis was to find out how has the HI-Q QMS enabled Dream Hostel to become a better working business and what can Dream Hostel do to achieve the maximum score in the audit process.

1.4 Research methodology

The main frame of work was to compare the current daily routines of Dream Hostel to the old routines prior to the HI-Q implementation. This was done through analysing the current Dream Hostel processes and comparing them to the previous Dream Hostel routines. Additionally, the audit questions and results were examined and analysed.

The research used qualitative research methods, including studying books for theory, conducting interviews with DH staff members, own experiences at Dream Hostel and

most importantly analysing all the material that Dream Hostel and Hostelling International were able to provide

1.5 Structure

The thesis consists of four major chapters. The first chapter is the introduction to the topic and Dream Hostel. This chapter gives the necessary information about the hostel and their status in Tampere and hostel business.

The second chapter is divided to two subsections. The first subsection takes a theory-based look on quality management and quality. The subsection seeks how does a quality management system help companies to reach better results. The second subsection describes the recently acquired HI-Q system and its internationally agreed assured standards.

The third chapter describes and analyses the changes in Dream Hostel's daily processes. The fourth chapter views the audit results and takes a look to the possible development areas. The thesis is concluded with a general summary of changes caused by HI-Q and a development suggestion for Dream Hostel.

2 QUALITY

In order to understand quality management systems, quality has to be defined. There are numerous definitions for quality but most of them focus on one subject: the customer. Without a customer there is no profitable business. Therefore, quality is something that ensures a better customer satisfaction. Joseph Juran wrote that "Quality is fitness for use" whereas William Edwards Deming stated that quality must be defined in terms of customer satisfaction (Bluvband, 2001, 70). John MacDonald defines quality as "delighting the customer by continually meeting and improving upon agreed requirements" (MacDonald, 1998, 6). These simple sentences describe how important it is to fulfil the customer needs.

Quality can be achieved by understanding the customers and the market. Better understanding of customers and the market provides information that can be used for high quality customer service. Company processes need to increase the desired quality of service, thus attracting and creating satisfied customers (FIGURE 2). When done right, quality management creates competitive advantage. However, customer satisfaction cannot be the only target, as maximized customer satisfaction can decrease the business' profitability in the long run. (Lecklin, 1997, 18.)

FIGURE 2. Total Quality Management (Lecklin, 1997, 19). Modified.

Many kinds of quality parameters can be defined for hostel services. Some of these are measurable whereas others are not. For example, a customer will consider such factors as location, comfort, quietness, cleanliness, internet access among other things. All these features affect the overall quality of the service. (Sandholm, 2000, 14.)

Quality can be applied to all kinds of business models, including service sector. With the customer being in the centre, other interest groups need to be taken account, because these all affect quality. These include such interest groups as suppliers, partners, business owners, surrounding society and of course, the customer itself (Lecklin, 17). This is called Total Quality Management, which describes that quality is more than a satisfied customer. It affects all parts of the company and eventually defines the survivability and profitability of the company (FIGURE 3).
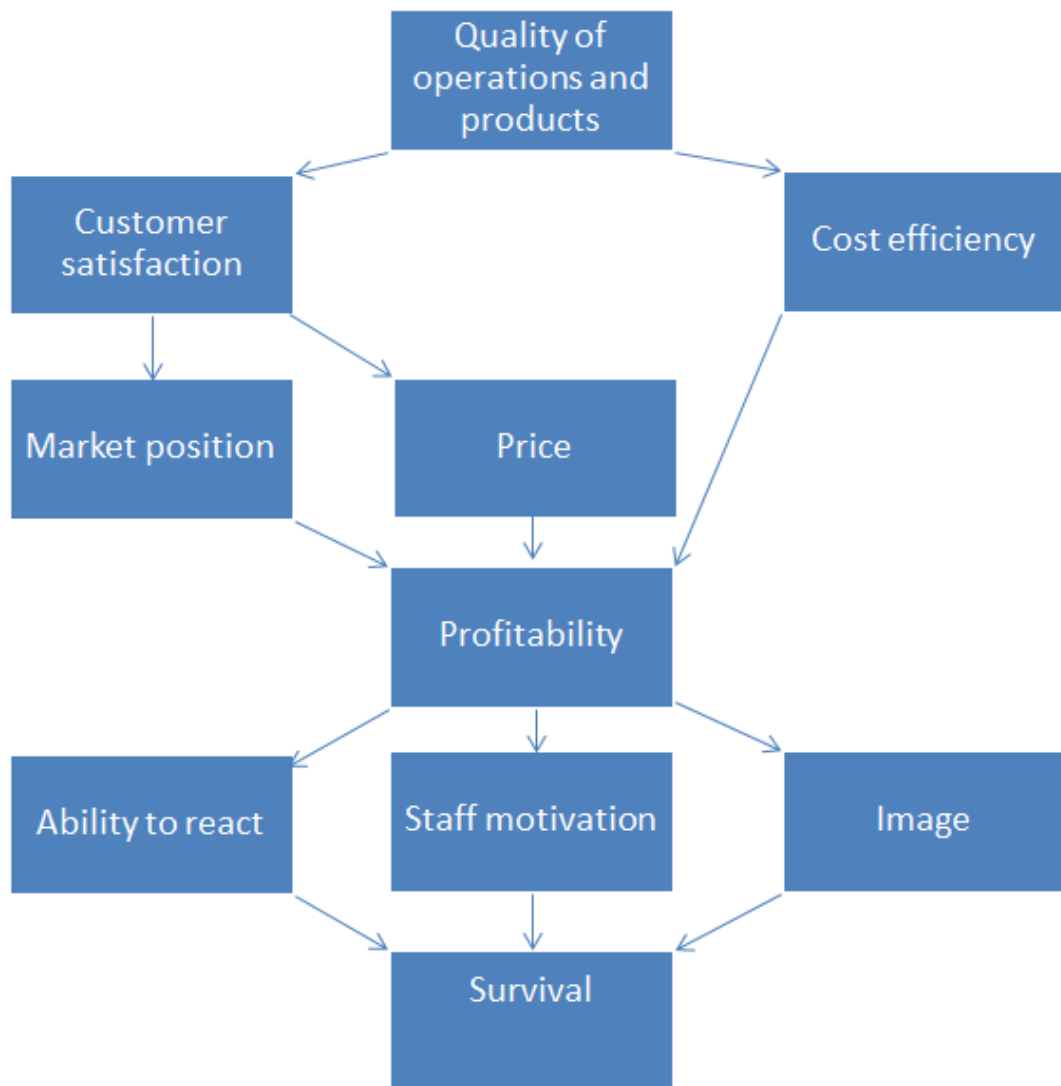

FIGURE 3: Meaning of Quality (Lecklin, 1997,17).

2.1 Quality Management Systems

A successful quality management system improves production management, planning, executing, monitoring and controlling of quality costs. Even smaller companies can benefit from quality management system, as it forces the company to define their core processes. This can lead into the personnel figuring out more effective ways of implementing different company functions, for example marketing or customer service. (Lecklin, 1997, 32).

According to Donna C.S. Summers (2009, 54), a quality management system exists "to enable the organization's employees to identify, design, develop, produce, deliver, and support products or services that the customer wants". She writes that "Quality systems and methodologies provide leaders of effective organizations with guidance and direction they seek."

Another role of the quality management system, as described by Lecklin (1997, 29), is carrying out the vision and strategy of the management throughout the organization in a systematic manner. Ultimately the goal of a quality management system is to ensure that customer's needs are satisfied. This is achieved by improving processes and systems used in the company.

A successful QMS creates customer value. According to Donna C.S. Summers (2009, 94), customer value means the attributed or relative worth of usefulness of a product or service for the customer. The customer always gives the final verdict of the product or service.

2.2 Factors in a well-established quality system

Zigmund Bluvband defines three Ds of a well-established quality management system (2001, 29). They are the following:

1. Defined

A defined quality management system should leave no room for random actions. Everything is done in a standardized format, because this will ensure a high quality service standard which aims for maximum customer satisfaction for every hostel visitor.

2. Documented

Everything is documented, because all the information written down can be used later. When everything is documented systematically, then the information is easily found whenever needed.

3. Doable

The quality management system has to be useful, but can't be too demanding compared to available resources. The idea of having a quality management system is to improve the business, not to make it unnecessarily complicated.

2.3 Quality management principles

The ISO 9000 quality management standard includes eight quality management principles (ANSI/ISO/ASQ Q9000-2000). The principles are not directly connected to HI-Q Quality Management System but can be applied to Dream Hostel's case.

ISO Central Secretariat (Quality Management Principles PDF, 2012) defines the following as the quality management principles: Customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationships.

1. Customer focus

The company must listen to its customers, understand their requirements and exceed their expectations. For Dream Hostel, this means gathering feedback, registering and processing complaints. Dream hostel must offer pleasant service to their guests and make sure they are enjoying their visit. This makes sure they will come back, or at least their positive experiences are spread further.

2. Leadership

Leaders of the company should create and maintain the internal environment which helps the people to be involved in achieving the organizational objectives. For Dream Hostel, this means that all employees know what they do and for what reason. Communication has to be functional between parties.

3. Involvement of people

People working for the company are essential in organization success or failure. Fully involved people are beneficial for the company. This means people want to improve every day, make sure they are giving their full potential to Dream Hostel and are not afraid to discuss even severe issues affecting their work performance.

4. Process approach

Company's activities and resources are managed as a process. This helps achieving the desired results. The company must focus on the factors that will improve the key activities of the organization. There is no need to to run extra processes that do not produce any value to the company.

5. System approach to management

The company must identify, understand and manage its interrelated processes as a system. This contributes to the organization's effectiveness and efficiency in achieving its goals. Every activity should have a systemic way how it is performed to make sure maximum quality.

6. Continual improvement

Company performance is a permanent objective for the organization. Constantly improving company gains performance advantage. In a competitive environment where hardly anything remains stagnant, looking for the future is a key success factor.

7. Factual approach to decision making

Data and information gained has to be used effectively. Decisions have to be based on accurate and reliable sources. Collection of reliable data ensures that important decisions are not made hastily. Bad decisions lead to poor financial performance.

8. Mutually beneficial supplier relationships

Organization and its suppliers are inter-depending. The relationship is important to both of them and it enhances the ability to create value for both parties. For Dream Hostel, this means that Dream Hostel should benefit from their Hostelling International membership whereas Hostelling International gains from having Dream Hostel as a member.

3 HI-Q QUALITY MANAGEMENT SYSTEM

HI-Q Quality Management System (HI-Q QMS) is a quality management system developed and maintained by Hostelling International. The creator of HI-Q QMS, Mr Jürgen Gross described the system as "a management tool with a customer orientated, systematic workflow within an organization, involving everybody to constantly improve." (Gross, 2011).

There were two reasons why Dream Hostel wanted to acquire the HI-Q QMS. The primary reason was that HI-Q should improve the quality of operations in Dream Hostel. Secondary reason was to have a possible boost to marketing with the HI-Q logo that can be used in the premises, publications and on DH website.

3.1 Assured Hostelling International Standards

Hostelling international requires some assured standards from all membership hostels, including Dream Hostel. The HI-Q Quality Management System complements the assured standards and focuses on core hostel management and operations. Many aspects mentioned in the assured standards are also covered in HI-Q Quality Management System.

Hostelling International defines its assured standards as the following (Hostelling International website, 2014.):

1. Welcome
Hostels are open to all. You can join if you are not already a member, and you can make advance reservations. Plus you will have access to essential facilities if the hostel closes for a period during the day.

2. Comfort
A good night's sleep (including the hire of freshly-laundered linen if it is not included in the overnight charge), and sufficient washing/shower facilities. Meals are generally available, along with self-catering facilities and a food store close by.

3. Cleanliness

The highest standards of hygiene wherever you travel.

4. Security

Security for you and your possessions, including lockers for luggage and valuables.

5. Privacy

Privacy in showers, washing areas and toilets. Most hostels provide single sex dormitories – although if requested, a mixed sex dormitory may be offered to people travelling together.

3.2 Features of HI-Q

The main idea of HI-Q is to provide the hostel a set of management tools to ensure that the quality of operations is high in all processes run in the hostel. These management tools are standardized reporting tools which should provide critical information such as:

Complaint register – Why isn't the customer happy?

Guest questionnaires – How do the customers like our place?

Audit reports – How are we evaluated in the eyes of a professional?

Maintenance logbook – What is not working and how can staff members fix it?

Work checklist- What should one staff member do today and at what time?

Employee induction materials – What is expected from a new employee and what he or she must know when working in our hostel.

Job description documents – What does one employee's work consist of?

Action plan – What is the hostel going to achieve next year and how to achieve it?

Regular meeting agendas and reports – Why staff members have meetings and what have they really decided?

Employee evaluation – How has one employee's performance been and how can they improve in the future?

Cleaning plan – How is cleaning done in the hostel and what equipment is needed?

HI-Q does not require the member hostel to use specific software. More important is to have a standardized system which has measurable indicators and no uncontrolled documents.

HI-Q costs around 400 euros per year for Dream Hostel. For that investment, Dream Hostel wants to gain some competitive advantage.

4 HI-Q IN DREAM HOSTEL

In order to understand how HI-Q has changed Dream Hostel's daily routines, one should compare the previous standards Dream Hostel used to the current way of work brought by the new HI-Q quality management system.

Generally, the new HI-Q system created a more comprehensive work system where different documents and tasks are collected into one place. Many aspects of the system were already used by Dream Hostel but HI-Q improved the integrity and accessibility of hostel management.

Because of HI-Q, Dream Hostel has started using a concentrated data archive of their choice. For Dream Hostel, the preferred service is Google Drive which is used as concentrated archive. All required and important documents are saved in the Google Drive cloud, thus making them available on every device that can connect to Internet. Dream Hostel used Google Drive before HI-Q but its full potential was put to full use after the implementation of HI-Q.

Before HI-Q, all documents were in different places, including different physical cabinets and multiple computers. Many documents had similar content to the new ones brought by HI-Q, but now everything is run in a standardized way.

HI-Q added specific documents for many processes, for example job allocation, job descriptions and instructions for doing the daily tasks. Daily tasks are monitored better and future tasks can be planned according to tasks done previously. In the long run, all these have affected the overall quality of operations, for example, better tidiness in the hostel premises.

However, HI-Q brought some completely new features to Dream Hostel which were not used previously. For example, HI-Q introduced job description and induction documents, which were not used before by Dream Hostel.

4.1 Process categories

Dream Hostel's processes have been divided into eleven categories. The categories used are roughly the same which the auditors used in their annual audit. The categories are Management responsibilities, Information, Reservation, Check-in & Check-out, Activities & Programs, Front Office, Food & Beverages, Housekeeping, Maintenance & Safety, Management of Human Resources & Communication, Management of HI-Q Measurement Instruments and lastly Management Review & Improvement Actions

4.1.1 Management responsibilities

The number of audits has increased because of HI-Q. Before HI-Q was implemented, no audits had been done in Dream Hostel. Now because of HI-Q, Dream Hostel is audited internally twice per year. External audit is done at least annually. The audits are performed to evaluate and improve Dream Hostel's organization, system and processes.

As Dream Hostel wasn't running a quality management system before HI-Q, a new certificate has been added at the reception desk. The signed quality certificate which was earned after the official HI-Q audit is clearly displayed at reception for customers to see. It is used as a marketing device which tells the customers that Dream Hostel is an internationally certified hostel which should provide high quality service to its customers.

4.1.2 Information

Hostel pricing was unaffected because of HI-Q. However, all information regarding hostel pricing policy is documented in Google Drive. This should help all employees to find answers to all questions they face considering the hostel pricing policy.

HI-Q also features instructions on how to handle requests for information about the hostel. This has never been a problem with Dream Hostel, but now there is a standardized way how to answer requests accurately and quickly.

4.1.3 Reservation

Reservation did not see any major changes because of HI-Q. Booking a hostel room or bed has not changed because of HI-Q, It can be done via phone, e-mail, at hostel reception desk or on various websites, including Dream Hostel web site and multiple booking services.

Hostel is bookable at hihostel.com but that is because of the Hostelling International membership, not directly because of HI-Q Quality Management System.

4.1.4 Check-in & Check-out

Thanks to HI-Q, customer complaints are registered and solved in a standardized way. When a customer registers a complaint, it is written down to a specific spreadsheet which includes such crucial information as customer name, reason for complaint and the agreed solution with the customer. The spreadsheet also lists the estimated amount of costs and time spent because of the registered complaint.

Before HI-Q was implemented, the complaints were registered but the registration was not done in a standardized format in a specific file. HI-Q also caused the complaints to be registered daily, because guest complaints are included in the daily employee tasks. When all complaints are registered into the same place in the same way, they can be found and analysed easily in order to fix them.

4.1.5 Activities & Programs

Not applicable to Dream Hostel. Dream Hostel do not arrange and plan any major activities that were affected by HI-Q.

4.1.6 Front Office

After HI-Q implementation, Google Drive became the most important source of information in Dream Hostel. All necessary documents and instructions are saved in the cloud service. Before HI-Q, all documents and instructions were spread to three computers, five physical folders and two bulletin boards.

HI-Q also set standardized file names and formats for all files. This way, the usability and navigation of documents and instructions improved. No uncontrolled, out of system files are in use.

Possibly the most important addition from HI-Q is the daily checklist. All tasks on a specific day are written on a daily checklist. When a task is done, an employee ticks it to mark it done. Naturally, the daily checklist is customizable for each day. The daily checklist has clarified staff members' schedule, shift progress and surveillance. Before HI-Q, some tasks were not divided equally nor did employees know whose job is to do a specific task.

4.1.7 Food & Beverages

Dream Hostel did not serve meals before HI-Q implementation and they did not start serving meals after implementation. There are some snacks and non-alcoholic drinks for sale at the reception desk. The hostel kitchen offers some basic refreshments like coffee, milk and tea. Refrigerators are also available for customers to store their personal food items.

The HI-Q system did not directly affect the Food & Beverages section, but daily task checklists introduced new ways to keep track of the kitchen hygiene and cleanliness levels. As every shift has a clear checklist what he or she needs to do in the kitchen, HI-Q has improved the cleanliness levels in the kitchen environment. Kitchen is also cleaned more often than it was before HI-Q implementation.

The checklist also lists regular cleaning for refrigerators and freezers, which was not done systematically before HI-Q. This also includes getting rid of food items which

have gone past their expiration date. HI-Q also made Dream Hostel to specifically mark the opening dates on milk cartons in the refrigerators.

4.1.8 Housekeeping

Cleaning shifts are basically the same they were before the implementation of HI-Q. This means that basic cleaning tasks are done in every shift and toilets are cleaned once every day.

However, HI-Q made cleaning task distribution clearer as the cleaning tasks are clearly marked on the daily task checklist. This helps employees on a specific shift remember to do their planned share of cleaning tasks. This also makes sure that required tasks are spread more evenly between employees. All important cleaning tasks have specific instructions which tell what to do and when. New cleaning tasks can be added to same list in the future if needed. Compared to the old system, the surveillance in housekeeping tasks has gone to a different level.

HI-Q also features a specific section for cleaning equipment. This has made acquiring new equipment easier, because all needs are recorded and specific actions can be taken immediately. For example, purchasing toilet paper has become more regular and planned.

Because of these improvements in housekeeping processes, the overall tidiness of Dream Hostel has increased because of HI-Q. The plan is for the customers to notice the improved quality, thus making their hostel night a more pleasant experience

4.1.9 Maintenance & Safety

HI-Q caused Dream Hostel to check their first aid and safety equipment regularly, as it included in the daily checklist. First aid training is now included in the induction and training plans.

HI-Q also introduced the standardized maintenance logbook, where all maintenance related problems are written down. Dream Hostel used a similar document before HI-Q, but now a new, standardized document can be found in Google Drive.

4.1.10 Management of Human Resources & Communication

HI-Q brought some improvements to Dream Hostel's human resource management. Because of HI-Q, Dream Hostel provides its new employees and trainees an induction package which makes the new people familiar with Dream Hostel and its ways of working. All necessary information for old and new employees was written and/or transferred to Google Drive.

Job descriptions were created for all staff members. This document clarifies an employee's role in the organization and the tasks he is supposed to do.

Also introduced were the employee evaluations, which ensure that the employees know what is expected from them and the manager stays in tune with the needs and concerns of the hostel staff.

4.1.11 Management of HI-Q Measurement Instruments

Dream Hostel has used guest ratings and logbook as measurement instruments for years. However, HI-Q added two new measurement instruments for Dream Hostel to use: the audit results and the complaint register.

Dream Hostel was never audited before the implementation of HI-Q.
After the implementation, audit records were added as a new measurement instrument. Audit results provide information about company operations as well as professional feedback given from a different perspective.

HI-Q caused Dream Hostel to collect and register complaints. The complaint register provides information on subjects which have made customers unhappy. These issues

have to be fixed as soon as possible or the customer and his friends are never coming back.

4.1.12 Management Review & Improvement Actions

HI-Q requires Dream Hostel to write an action plan which clearly demonstrates Hostel's planned actions for next year, how to do it, what resources are used for the action, when is the action done and has the objective been completed. Dream Hostel has planned to write an action plan for some time, but now it is actually required by HI-Q. Dream Hostel is planning to write their action plan during year 2014.

5 AUDIT RESULTS

The following chapter inspects all audit questions, their grades and analyses how Dream Hostel runs the specific task or process.

Dream Hostel was audited in May 2013 by Sigríður Sirra Ólafsdóttir of Hostelling International. Each process was graded with a grade "OK", "Partly OK" or "Not OK". The audit results were excellent. 93% of processes were graded "OK", 7% were graded "Partly OK" and no processes received the worst "Not OK" grade.

One way to ensure Dream Hostel becomes a better working company is to analyse the audit results and find out how Dream Hostel could reach the maximum 100% audit score. Deeper insight was done for the questions which did not get the best grade. These tasks will be analysed more thoroughly in order to find out how Dream Hostel could receive the best grade OK on all questions in their next audit.

5.1.1 Management responsibilities

Question 1: Is the declaration of quality signed by the current CEO and current hostel manager/owner and is it displayed at reception for guests to see?
Grade: OK
The signed declaration of quality is visible behind the reception counter; therefore the question has been answered with a maximum grade.

Question 2: Are all findings in the past internal and external audit results properly documented and followed up?
Grade: OK
Dream Hostel had an internal audit in February 2013 and all the information from there is documented and available. Everything is documented Google Drive, so grade OK has been earned.

Question 3: Were root problems (basic or main reasons why problems keep coming up) seriously dealt with?
Grade: OK

The auditor did not report any root problems occurring, so the best grade has been earned.

5.1.2 Information

Question 4: Are the requests for information about the hostel handed properly and in reasonable time?

Grade: OK

Requests for information are handled properly in time, without significant delays. Dream Hostel uses specific instructions on how to answer requests for information.

Question 5: Are the publications of prices, services and other customer oriented data accurate and reliable?

Grade: OK

Hostel prices and other necessary public information is kept updated and same data is available through various sources (website, reception, Facebook etc.) Thus grade OK has been earned.

Question 6: Can assistance be offered to guests with special needs or limitations (individual or group, if applicable) during their stay?

Grade: OK

Dream Hostel has a fully handicapped access to all their facilities. OK grade has been earned.

5.1.3 Reservation

Question 7: Was the reservation system shown and were all required details of reservations recorded? Do the details match the information provided before by the guest?

Grade: OK

Dream Hostel has used a reservation system called Hostel System since March 2013. This ensures the reservation system works according to the required way. Grade OK has been earned.

Question 8: Are the guidelines on how to handle reservations available?

Grade: OK

The complete handbook including the guidelines and instructions is available in the Google Drive used by Dream Hostel. Thus grade OK has been earned.

Question 9: Is the hostel bookable online at hihostel.com with sufficient inventory of beds?

Grade: OK

Dream Hostel can be booked at hihostel.com and the website shows the current inventory of beds. Thus grade OK has been earned.

5.1.4 Check-in & Check-out

Question 10: Is the current HI Hostel Membership policy followed up during check in?

Grade: OK

Dream Hostel can be booked at hihostels.com and the website shows the current inventory of beds. Non-membership rates and membership are published and discounts will be given to Hihostel members on arrival. Grade OK has been earned.

Question 11: Is important hostel information (including opening hours) given upon check in clear and accurate?

Grade: OK

All important information is clearly visible at the reception desk. Grade OK has been earned.

Question 12: Are guest complaints solved as soon as possible? Are complaints registered and properly followed-up?

Grade: Partly OK

Dream Hostel collects ratings and registers complaints. All complaints are processed as soon as possible. Task of checking new complaints is scheduled in the assignment checklist. Currently Dream Hostel does not collect guest comments, categorize them, report them in staff meetings and they are not connected to action plans. This is why Dream Hostel only received the middle grade on question number twelve.

5.1.5 Activities & Programs

Question 13: Are own activities and programmes planned according to customer demand and available resources in hostel?

Grade: OK

Not applicable to Dream Hostel. Dream Hostel does not have regular activities and programmes that need special resources.. Grade OK has been earned.

Question 14: Does the hostel have activities guidelines stipulating the nature of activities and the critical success factors?

Grade: OK

Not applicable to Dream Hostel. Dream Hostel does not have regular activities and programmes. Grade OK has been earned.

Question 15: Are activity safety measures arranged adequately?

Grade: OK

Not applicable to Dream Hostel. Dream Hostel does not have regular activities and programmes that need extra safety measures. Grade OK has been earned.

5.1.6 Front Office

Question 16: Does the hostel reception use a tool to record important information for shift updates and occurring problems and their solutions?

Grade: OK

Dream Hostel uses a word document for information logging. The file is stored in Dream Hostel's Google Drive. Thus grade OK has been earned.

Question 17: Are process guidelines and operational checklists available as reference?

Grade: OK

Guidelines and checklists are available in Google Drive. Thus grade OK has been earned.

Question 18: Does the reception coordinate and update maintenance, kitchen and housekeeping assignments as needed?

Grade: OK

The reception staff takes care of the mentioned assignments. All assignments are written in the daily assignment checklist. The checklist can be modified for each day according to daily needs. Grade OK has been earned.

5.1.7 Food & Beverages

Most questions in the Food and Beverages section are not applicable to Dream Hostel because Dream Hostel does not serve meals. Thus questions from 19 to 26 and from 31 to 34 can be skipped. Grade OK has been earned in all of the skipped questions.

Questions: 19 – 26: Not applicable to Dream Hostel. All questions received an automatic "OK" grade.

Question 27: Are food items (defrosted, warm or fresh) handled according to the instructions and law?

Grade: OK

The auditor did not find any food items that did not have proper use. Food items are handled according to the law and instructions. Every food is kept in their specific location (for example, milk in the refrigerator.) Thus grade OK has been earned.

Question 28: Are failures in kitchen equipment properly handled and collected to logbook.

Grade: OK

Failures in kitchen equipment are properly written down in logbook available in Dream Hostel's Google drive. Thus grade OK has been earned.

Question 29: Is a cleaning plan for kitchen, freezers and refrigerators available? Are the facilities clean?

Grade: OK

The auditor found the facilities clean. A written cleaning plan and instructions are available at the reception and Google Drive. Thus grade OK has been earned.

Question 30: Are waste bins clean?

Grade: OK

Waste bins were clean and the daily checklist demands the waste bins to be emptied regularly. Thus grade OK has been earned.

Questions 31 – 33: Not applicable to Dream Hostel. All questions received an automatic "OK" grade.

Question 34: Do the guests have adequate means to label or mark their food items. Does the hostel have a disposal policy to clear away non-labelled foods?

Grade: OK

Dream Hostel provides small baskets and magic markers for the guests. The hostel policy requires guests to write their names to the baskets. Then the guests can place their food items into their personal food basket. Non-labelled foods are not allowed in the refrigerators. Thus grade OK has been earned.

5.1.8 Housekeeping

Question 35: Are guidelines and checklists for the housekeeping process available? Is the housekeeping staff trained and do they know the documented way of working?

Grade: OK

Dream Hostel does not have a separate cleaning plan. Daily cleaning is done by regular hostel employees. The tasks can be found on same list as the reception tasks. Grade OK has been earned.

Question 36: Are the rooms clean and tidy? Are showers, sinks and toilets free of dirt, slime & grease residues? Is dust or cobweb found? Are bed covers, blankets or linen clean and without holes? Are floors and furniture clean? Are carpets clean and well maintained?

Grade: OK

All aspects mentioned above are checked daily. The auditor did not find anything unclean or disorganized, thus Dream hostel earned the best grade.

Question 37: Are public areas in the hostel and hostel surroundings clean and tidy?

Grade: OK

The hostel is cleaned and kept tidy. Cleaning tasks are in the daily checklist. This was also true on the audit day and thus Dream Hostel earned the OK grade on question number 37.

Question 38: Do employees register periodical housekeeping tasks (weekly, monthly, yearly)?

Grade: OK

Dream Hostel registers periodical tasks into the assignment checklist. Daily checklists are modified according to daily needs. Thus grade OK has been earned.

Question 39: Does the hostel manager (or other designated person in the hostel) check the hostel frequently to verify the cleaning level?

Grade: OK

Person in charge assures that the cleaning level is up to hostel standard. The auditor suggested that any small problems should be marked in a diary for audit purposes. This would make sure that minor problems concerning cleaning level are followed up correctly. However, grade OK has been earned.

5.1.9 Maintenance & Safety

Question 40: Are the hostel premises well maintained? Are there any major paint problems on walls inside or outside of the building? Is there broken furniture in use? Are all parts of the building and its interior functioning well?

Grade: OK

The auditor did not find any problems in Dream Hostel. The premises and furniture were in good shape. Thus grade OK has been earned.

Question 41: Does the hostel use a logbook of maintenance problems (manual or computerized)? Do guidelines for maintenance problems exist? Are needed follow up actions taken on problems mentioned in the logbook?

Grade: OK

Dream Hostel uses computerized logbook and guideline files which are saved in Google Drive. The auditor suggested that the tasks could be categorized and collected in a better way. The logbook could also have signatures and dates marked on them to increase readability. However, grade OK has been earned.

Question 42: Are periodical preventive maintenance routines carried out for technical equipment in the hostel, with priority to safety related equipment?

Grade: OK

Technical equipment is checked regularly, including safety related matters. Similarly to question 39, the auditor mentioned that problems concerning technical equipment should be marked in a diary for audit purposes. This would make sure that problems concerning technical equipment are followed up correctly.

Question 43: Is an updated list available which contains urgent maintenance supplier contact information?

Grade: OK

Maintenance contacts are visible on a list found near the reception desk. Grade OK has been earned.

5.1.10 Management of Human Resources & Communication

Question 44: Is sufficient induction given to new staff?

Grade: OK

Dream Hostel uses a written induction document which explains the most important info to a new employee or trainee. The auditor found the document to be sufficient and thus grade OK has been earned.

Question 45: Is evaluation or appraisal carried out and documented for all employees?

Grade: OK

Evaluation is carried out within the first month of a new employee, yearly and when needed. The evaluation documents were found to be detailed and clear. Grade OK has been earned.

Question 46: Are updated job descriptions available to staff?

Grade: OK

Up-to-date job descriptions are available in the Google Drive folder. Grade OK has been earned.

Question 47: Is a training plan including customer, lifesaving and fire prevention topics available to all staff members?

Grade: OK

A training plan is available in the Google Drive folder. The plan is updated according to regular and special needs. Grade OK has been earned.

Question 48: Are there records of periodical staff meetings related on quality, performance and action plan related issues?

Grade: OK

Periodical meeting minutes are saved in the Google Drive folder. The auditor suggested that every team member should sign the document for acceptance and add their comments to the documented if needed. Grade OK has been earned.

5.1.11 Management of Documents

Question 49: Does the hostel have a checklist or guideline for every process to document the steps or tasks performed according to the agreed standards?

Grade: OK

The documents are available in Dream Hostel's Google Drive. The auditor found the documents to be sufficient. Grade OK has been earned.

Question 50: Are HI-Q system's documents controlled (at least: unique name, date, initials of the document producer) according to parameters stipulated. Are the documents available to staff and easy to find?

Grade: OK

The documents are available for all staff members in Google Drive. All documents are marked and named with the required information. Grade OK has been earned.

Question 51: Does the hostel use only the most updated versions of controlled documents. Are the staff members using any uncontrolled documents which pertain in any way to the quality system?

Grade: OK

The auditor found only updated versions of controlled documents. The auditor did not find any uncontrolled documents which did not belong to the system.. Thus grade OK has been earned.

5.1.12 Management of HI-Q Measurement Instruments

Question 52: Does the hostel use the minimum of four measurement instruments? These are guest questionnaires of ratings, logbooks, audit reports and complaint register.

Grade: OK

Dream Hostel uses guest questionnaires of ratings, audit records, complaint register and logbook. Thus grade OK has been earned.

Question 53: Does the hostel collect at least fifty questionnaires for analysis or at least 0,5% of total annual overnights?

Grade: Partly OK

Dream Hotel does not use in-house questionnaires. This is why the grade is only Partly OK. However, Dream Hostel uses a piece of software called Review Pro which collects data from various hostel booking websites. These ratings are used in further analysis. It is also known that Review Pro is enough for next audit and in-house questionnaires are not required next year.

Question 54: Are internal audits regularly conducted (at least once a year) and are meaningful improvements decided as a result of weaknesses found?

Grade: OK

Dream Hostel conducts an internal audit twice per year. An external audit is done at least annually. The results are used to improve company processes. Grade OK has been earned.

Question 55: Do the analysis results of the measurement tools lead to action plans that focus on improvement of weaknesses?

Grade: Partly OK

At the time of audit, Dream Hostel did not have a fully written action plan, but one should be written in order to achieve the highest grade.

5.1.13 Management Review & Improvement Actions

Question 56: Is an annual management review and/or action plan conducted and documented?

Grade: Partly OK

A management review is an analysis of all factors involved in management decisions and planned actions of improvement. Dream Hostel's management review was written in May 2013. The auditor suggested that a revised and improved version of the management review should be conducted. An action plan should be written at the same time in order to reach the grade OK.

Question 57: Is the management review actively used by the hostel manager and the staff?

Grade: OK

The current management review is used by the hostel manager and the staff. However, the management review needs to be updated. Grade OK has been earned.

5.1.14 Process grades and improvement

The total number of grades earned was the following:

OK: 53

Partly OK: 4

Not OK: 0

As seen, the worst grade has not been earned in any process categories. However, in questions 12, 53, 55, 56 Dream Hostel received grade "Partly OK". In order to achieve the highest grade "OK" in all questions, the following procedures have to be done.

Question 12:

Question 12: Are guest complaints solved as soon as possible? Are complaints registered and properly followed-up?

Grade: Partly OK

The auditor suggested that Dream Hostel should register and categorize and all complaints even further and the complaints should be connected to an action plan. If Dream Hostel wrote a good action plan (including actions based on customer complaints) for next year, then the best grade could be earned for this question. Questions 55 and 56 take a closer look to an action plan.

Question 53:

Does the hostel collect at least fifty questionnaires for analysis or at least 0,5% of total annual overnights?

Grade: Partly OK

The auditor recommended the use of in-house questionnaires. These questionnaires would need to be done, but is already know that next audit list is going to be different than the current one. As Dream Hostel uses a specific piece of software called Review Pro for rating analysis, they have no need for in-house questionnaires. The in-house questionnaires are not needed in the next audit. Without any actions, Dream Hostel should receive the best grade on question 53 in next year's audit.

Question 55: Do the analysis results of the measurement tools lead to action plans that focus on improvement of weaknesses?

Question 56: Is an annual management review and/or action plan conducted and documented?

Dream Hostel should write a clear action plan (FIGURE 4) which clearly demonstrates their planned actions for next year (with a measurable instrument), how to do it, what resources are used for the action, when is the action done and has the objective been

completed. The actions have to be based on real data, e.g. collected customer complaints and ratings.

Action	Measurable objective (number, KPI) & measure instrument	What action to be taken?	Responsible Person is	Involved in the task are / to be discussed with..	Time target	Feedback: Update/achieved?
1						
2						

FIGURE 4. An empty action plan spreadsheet. (HI-Q materials, 2011)

For example, customer ratings could tell the manager that the hostel's cleaning rating is 80/100. For next year's action plan, the manager aims for 90/100 cleaning rating. The manager would write in the action plan that this can be done by analysing their cleaning process and finding out the flaws and the reasons behind it. The action plan then would state who is responsible for doing the analysis, for example, the manager himself and everybody who has cleaning duties. The action plan also mentions the planned deadline for the action. Final and very important aspect to cover is the progress. Has the objective been completed and what other results have been achieved.

6 CONCLUSIONS AND RECOMMENDATIONS

This analysis demonstrated the changes in Dream Hostel caused by the newly acquired HI-Q Quality Management System.

Generally, the new HI-Q system created a more comprehensive work system where different documents and tasks are collected into one place. Many aspects of the system were already used by Dream Hostel but HI-Q improved the integrity and systematization in Dream Hostel. Almost all documents became standardized, which ensures that all necessary markings are found easily and all data is available for everybody.

Information distribution, job allocation, work time management and overall cleanliness levels were mostly affected by the new system. The system also increased the amount of information available to staff. This helped in many ways, for example, reducing the amount of phone calls in case of a problem occurring.

The quality management system did not have a massive impact on Dream Hostel, as Dream Hostel had already used similar system for many features brought by HI-Q. However, as the quality system costs fewer than 400 euros per year, it can be said that HI-Q has been useful for Dream Hostel's management. Hopefully the customers have noticed some changes in Dream Hostel's quality level.

Dream Hostel is very close to reaching the maximum audit score. This can be reached by writing an action plan which clearly demonstrates planned actions for next year, how to do the actions, what resources will be used, when are the actions to be done and finally, has the objective been completed.

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