CHAPTER 2

HISTORY OF HOTEL AND HOSPITALITY INDUSTRY IN THAILAND
### CHAPTER 2 : HISTORY OF HOTEL AND HOSPITALITY INDUSTRY IN THAILAND

<table>
<thead>
<tr>
<th>TITLE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Definition of the hospitality industry</td>
</tr>
<tr>
<td>2.2</td>
<td>The distinctiveness of the hospitality industry</td>
</tr>
<tr>
<td>2.3</td>
<td>The significance of the hospitality industry to the social and the economy</td>
</tr>
<tr>
<td>2.4</td>
<td>The character of hospitality industry</td>
</tr>
<tr>
<td>2.5</td>
<td>Type of hospitality industry</td>
</tr>
<tr>
<td>2.5.1</td>
<td>Incomplete hospitality industry</td>
</tr>
<tr>
<td>2.5.2</td>
<td>Complete hospitality industry</td>
</tr>
<tr>
<td>2.6</td>
<td>The attribute of a good hospitality industry administration</td>
</tr>
<tr>
<td>2.7</td>
<td>The learning in the hospitality industry</td>
</tr>
<tr>
<td>2.8</td>
<td>Hospitality industry management principle</td>
</tr>
<tr>
<td>2.9</td>
<td>The management process in the hospitality industry</td>
</tr>
<tr>
<td>2.9.1</td>
<td>Planning</td>
</tr>
<tr>
<td>2.9.2</td>
<td>Organizing</td>
</tr>
<tr>
<td>2.9.3</td>
<td>Staffing</td>
</tr>
<tr>
<td>2.9.4</td>
<td>Directing</td>
</tr>
<tr>
<td>2.9.5</td>
<td>Controlling</td>
</tr>
<tr>
<td>2.10</td>
<td>Concept development and economic position of hotel business in Thailand</td>
</tr>
<tr>
<td>2.10.1</td>
<td>The term and definition of marketing in the hotel</td>
</tr>
<tr>
<td>2.10.2</td>
<td>The role and significance of the marketing for hotel business</td>
</tr>
<tr>
<td>2.10.3</td>
<td>The marketing roles in the hotel business</td>
</tr>
<tr>
<td>2.10.4</td>
<td>Market segmentations</td>
</tr>
<tr>
<td>2.10.5</td>
<td>Varieties and classifications of hotel</td>
</tr>
<tr>
<td>2.10.6</td>
<td>The standard of hotels in Thailand</td>
</tr>
<tr>
<td>2.11</td>
<td>Hotel administration</td>
</tr>
<tr>
<td>2.11.1</td>
<td>Management format</td>
</tr>
<tr>
<td>2.11.2</td>
<td>Administrative structure</td>
</tr>
<tr>
<td>2.11.3</td>
<td>Organizing systemization format</td>
</tr>
<tr>
<td>2.11.4</td>
<td>Organizing systemization</td>
</tr>
<tr>
<td>2.11.5</td>
<td>The work allocation in the hotel operation</td>
</tr>
<tr>
<td>2.11.6</td>
<td>Structure and function of hotel operation</td>
</tr>
</tbody>
</table>
CHAPTER 2 : HISTORY OF HOTEL AND HOSPITALITY INDUSTRY IN THAILAND

Servicing Business occurred a long time ago. It was ever since men begun the business occupation that the servicing business was started, and this business developed consistently. The progression of the servicing business went along with the competition. Therefore, it is vital that entrepreneurs in this business be alert on their knowledge all the time. There are many branches in the servicing business, while each branch has its own means of development. This business expands rapidly, from small enterprises into large industries bringing gross income into various countries. This enables the leaning/teaching in the hospitality industry to support the personnel development in this branch. The subject of Hospitality Industry inchoation in Thailand was quite recently. However, in other countries, this branch of knowledge had been originated for many decades, especially in the technologically developed countries such as the United States and countries in Europe; and the consecutive progression went on significantly.

2.1 The Definition of the Hospitality Industry

The term ‘hospitality industry’ is newly composed in two words, i.e. the word ‘hospitality’ and the word ‘industry’.

The hospitality industry refers to “any performance producing beneficial profits; a big enterprise needing a labour force and large investment” (Thai Dictionary, Chalermprakiet Version 2002:318).

As for the term ‘industry’ in English, refers to activities through products such as the 5 M’s, i.e. Money, Man, Material, Method and Management. The objective was for the intended effective production or services.

In the Thai language this word also involves the word ‘service’ referring to the “assistance attendance” (Thai Dictionary, Chalermprakiet Version: 158).

However, the word ‘hospitality’ refers to the ‘friendly and generous reception and entertainment of guests and strangers’, Oxford English dictionary, 1985:413)

The word ‘hospitality’ was generally understood that it was the free service with no payment. Later, when the hospitality business had been developed with diversified knowledge and technology, the word ‘service’ had been elucidated. After the development in the hotel business, restaurant business, and tour business, the competition had become
intensive. There was a need to impress service users, so that they would return to get the same service. Clients need good, polite, mild, and effective services. Therefore, there is a need to learn the servicing techniques theoretically, along with training practices. Thence, a service is not just a worthless free gift, but a service can become valuable when the receiver can attain the pride. A client could be impressed when he could feel that he becomes important.

The word ‘service’ is intangible, and cannot be absorbed through the eye, ear nose, nor tongue, and can only be absorbed through the mind, and through the satisfaction and impression. On the contrary, a person can be unsatisfied. Services are in the form of facilities and conveniences, through the use of labour force, and machines are least needed; and in some services, no machines are needed whatsoever.

As for the term ‘hospitality Industry’, generally, we would think of hotels, restaurants, but actually, this word gives a wider meaning.

The word ‘hospitality’ comes from ‘hospice’, which refers to ‘the house of rest’ in the Middle Age. This had been a house for pilgrims and travelers. However, the word ‘hospice’ had currently been changed to ‘hospital’, and the word ‘hospitality’ refers to business appertaining to services such as hotels, and restaurants, including all business relating to the lodging, the food, the tours, and the transportation. The Oxford English Dictionary gave the definition that ‘hospitality’ refers to “welcoming guests or strangers with hospitality and amicability.”

Therefore, the ‘hospitality industry’ refers to any execution through the combination of various productive factors to produce a service that would give facilities, satisfaction, and impression to clients, and such service would be sold along with the product.

2.2 The distinctiveness of the Hospitality Industry

The hospitality industry is a rapidly growing business in the retailing and the wholesaling of every country. This business is extensive with a high risk. Generally, people tend to think that services are easy. But in actual fact, should the work be done without a sufficient knowledge, experience, or practice, then it would be hard to be successful.

The servicing business is an intricate and sophisticated work. There are many kinds of business being latent behind the servicing business. Before a service is given, various
information must be prepared on the places and material. It is vital to know where the materials could be obtained, the place to be stored, and the correct means of storage. For some commodities, a client would be happy to wait for the best and the most satisfactory product. However, a service is something that cannot wait. Whenever it is needed by a client, he should have a prompt respond.

2.3 The significance of the Hospitality Industry to the Social and the Economy

1. Economically, the hospitality industry enables people to have work, inducing the income, enhancing the cost of living, and enabling people to have a better mode of living. People can have a better way of living, and their standards of living can be uplifted.

2. The hospitality industry would elevate the education standard, because service personnel must be specialized in his line of service. Such as catering personnel should know how to prepare the food, and be keen on each dish, and know the way to serve. A bell boy has to acquire a command of English. He must learn to converse and develop his personality as well.

3. The hospitality industry effectively subserves the highest benefit in various limited resources. People in this world realized that the earthly resources are being consumed lavishly. Therefore, it is vital for the effective control on the current consummation of the limited resource.

4. The hospitality industry avails all the facilities for consumers. Because presently, consuming commodities are subsequently being coupled with services. The hospitality industry also assist in the marketing and the services expansion.

5. The hospitality industry enables the effective communication in the community, such as the communication services which may occur without the need of direct communication between the service users and the service producers. Whereby, a service producers would control the network giving reciprocate services between service users, through the intangible services, which is convenience, rapid, clear, and accurate.

6. The hospitality industry avails the commercial progression, with the monetary and consulting services. Whereby, this direct monetary service called for the service producer to erect a permanent business location to facilitate a direct contact between the service producer and the service user. While the consulting service is a type of service that is vendible.
Whereby, the servicer would quench the need of the servicing client through various consultations, while in return, the service producer would get paid.

7. The hospitality industry is beneficial for the asset and the life security of people; such as the insurance services. This is a service on the risk insurance. The service vendor purchases the contentment and the easement, after insuring his asset and life security with the service producer, while this is an intangible benefit.

8. The hospitality industry induces a connection to other consecutive industries, such as the construction industries, which is a consecutive industry associating with the steel bar industry, the cement industry, the architect, the engineer, including the hotel industry which associates with the food production business, the sanitary chemical, the fabric manufacturing, etc.

2.4 The Character of Hospitality Industry

The hospitality industry is a distinctive business distinguished from the production of goods and the distribution of the goods. The servicing is a kind of commodity with following attributes:

1. The hospitality industry is intangible, where consumers cannot assess through the eyes or the tangibleness. As for other commodities, we are able to see or touch, or give a trial before hand. But for the servicing commodity, we can only assess through the impression, the contentment, or the discontentment, and cannot be pre-tested.

2. The hospitality industry is inseparable, such as the food industry, where the food is produced along with the servicing, and this is unable to be segregated.

3. The hospitality industry varied in the character of servicing in each service. It is difficult to control the constancy and the preciseness of the service standard, because this depends upon the circumstance of the servicer, who may be contacted by different variables every day, conducing the service inconsistency.

4. The hospitality industry is perishable, and is without the durability. For example, the hotel business is unable to leave vacant rooms, and restaurants cannot have vacant tables; while airlines cannot leave their seats empty, because that would mean a loss of income. People must strive to make a selling. For other commodities, should the goods be left over in one day, then it could be sold on the next day, and the income would still be the same. But
for the hospitality industry, the left over service only means a loss. Therefore, the hospitality industry does not need warehouses.

5. The hospitality industry has fluctuated demand. The demand of services depends upon the circumstances of the servicer and the service consumer. Due to the inconsistent demand of the service consumer, the income of the hospitality industry is also inconsistent. Hence, the service season has been apparently divided and usually deals with the high and the low income.

6. The hospitality industry appertains an intensive labour force. The hospitality industry needs the manpower in producing and in distributing, while machines play the least part. Therefore, the manpower is most vital, and must also be the versed and specialized skill.

7. The distribution of the hospitality industry is done on the spot of merchandising. Whereby, service clients usually approach service producers. Generally, a merchandize can be sold through many means, and many forms, such as the compradors, the representatives, the wholesalers, the retailers, etc, but the hospitality industry would generally be retailing.

2.5 Type of Hospitality Industry

The hospitality industry can be classified in two categories:

2.5.1 The Incomplete Hospitality Industry or the semi-service and semi-commodity hospitality industry;

2.5.2 The Complete Hospitality Industry or the Genuine Hospitality Industry.

Both types of Hospitality Industry have its own means of producing services, with different means of merchandizing services. A service merchandiser would choose a suitable category to himself:

2.5.1 Incomplete Hospitality Industry

The Incomplete Hospitality Industry can also be called the semi-service and semi-commodity hospitality industry. For this type of hospitality industry, the entrepreneur who produces the service would merchandise the service along with the vending of other commodities; particularly, merchandises with high competitions. Hence, strategies and methods have been contrived to reinforce the vending efficiency. Therefore, the service becomes a vending strategy of the management:
2.5.1.1 Pre-vending service: This is a strategy applied by marketers to close the marketing. Some consumers may not be interested in the merchandize itself; therefore, the salesman had to call their attentions to the pre-vending service, such as the selling of electricity, giving one week free trial before taking the decision.

2.5.1.2 Post-vending service: This is an important strategy, inspiring the decision of clients in buying. Clients would compare the commodity with a post-vending service and the one without. This was in particular with products that need constant maintenance, such as: the maintenance commodity service on schedule, free repairs, home delivery service, appliance services, etc. The post-vending service is an important factor enabling the relationship and impression of clients that he would not be neglected. An effective post-vending service can rapidly increase the sales target.

2.5.2 Complete Hospitality Industry

The Complete Hospitality Industry can be called the genuine hospitality industry. This type of hospitality industry is specifically produced for the service and has no connections with the commodity. This may classify into two types according to the attribute of the service:

2.5.2.1 The associating-to-product service and non-associating-to-product service refers to the fact that the particular service associate with the production factors, and the labour cost, with capital income and capital benefit; such as the hotel business, and the restaurant service. While the non-associating-to-product service refers to the transportation, the tours, the insurance, the communication services, etc.

2.5.2.2 The merchantable service and the non-merchantable service: The merchantable service depends upon the demand of consumers, as well as the marketing inspiration, such as the consulting service. The non-merchantable service is the state services, such as the media service, and the communication service prepared by the state for the people.

2.6 The Attribute of a Good Hospitality Industry Administrator.

The accomplishment of the administrators in the hospitality industry performance is composed of many constitutions, such as the dexterity, the experience, and the genuine knowledge. This can be classified according to the objective of services as follows:
2.6.1 A good servicer must impress clients in the act of welcoming, with an amicable expression. At the same time, he should also learn to create an air of clemency; the leniency between the service operator and the client; and the service impression on the client. In this case, clients would attain a good impression and would pass on this impression mouth by mouth.

2.6.2 A good administrator must give a special service to clients. While the good food must really be fresh; the hot food must be prompt; and the sanitary must be adhered upon. Every good quality products is necessary and significant to the servicing business.

2.6.3 A good administrator must operate through confidence, and manage the service suitably; hence, conducing a profit. An administration to the profit needs a perception on the suitability, qualitatively and quantitatively, including knowledge on the prices. While the prices of the food, the lodging would have to be concatenated with the quality. Should the management be appropriate, with considerate expenditure, and clients are impressed, then it would enable the business to the high and sustainable profit. Should the profit drop due to the negative management, this means a loss in services, and the support from service users. The key to the profit or loss accomplishment, and the break even in the management is the good administrative teamwork, under the suitable appropriation.

2.6.4 Good administrators have to acquire the knowledge and also have to be well versed in their functions of service. The word knowledge refers to the technological or the theoretical knowledge, including the training and practices. In this case, an administrator needs to have a good command in his own field, as well as other corresponding fields. He should also acquire sufficient experience to see for the safety of the organization, and to solve problems. The training is a vital factor in the servicing business for those who can give advice and solve all problems. In this case, should administrators or relevant persons be unable to solve problems promptly, and then the circumstances may be retarded, which means that clients are turning away from you and may never return.

2.6.5 Good administrators have to be initiative. They must acquire creativity to innovate new conditions to meet the high competitions in the servicing business. The presentation of a variety of changing and new commodities and services should induce
excitement and contentment for clients. The status of being an initiator would induce reliability and praise which would become an ideal path to the success of administrators.

2.6.6 A good administrator should be versed in foreign languages. In the present era, foreign languages are acceptable in the global society, and play an important role in the servicing business. A servicer cannot choose his clients, and must serve clients of every nationality, and every religion. The clients come from all over the world. Hence, administrators in this era need to know foreign languages and be able to contact quite fluently with clients. In this way, all the difficult conditions would become lenient and convivial.

2.6.7 A good administrator must have high accountability. This accountability of administrators can only occur from a sense of leadership. Administrators must create a sense of faith and reliance for subordinates that for whatever happens, administrators would also take the responsibility. Should there be an error at any spot, the administrator would be right on the spot, and be prompt to make amendments, so that this mistake would not occur again.

2.7 The Learning in the Hospitality Industry

A way of learning in the hospitality industry is to get a practical performance in the hospitality industry. The practical performance induces knowledge and experience. The problem in the hospitality industry operation is the experience in various branches, such as the food preparation, the food serving, and etc. In the initial stage while the hospitality industry was not matured, and the development went along slowly, the learning on the hospitality industry would only be acquired from the practice and training to get an experience, and that was thought to be the learning theory. That was only true for a short period. An administrator, Peter Drucker (1968:264) stated that “The advantageous production center of our society today was generated from the knowledge of workers. Male and female workers must work through their minds, coupled with information. On the other hand, the education is a vital factor for the preparation in the present occupation.”

At present, people began to realize the significance of hospitality industry. Therefore, this subject had been inserted in classes. Many students intended to learn about servicing through three reasons.
The chart 2 shows the difference in reasons stated by students in the United States, in the requirement to learn about servicing.

<table>
<thead>
<tr>
<th>Experience</th>
<th>- For one's own working experience</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- For one's own basis in the hospitality industry</td>
</tr>
<tr>
<td></td>
<td>- As a basis in taking the Hospitality Industry Programme advance class of the Administrative Faculty</td>
</tr>
<tr>
<td>Interest</td>
<td>- Enjoy working with lots of people</td>
</tr>
<tr>
<td></td>
<td>- Enjoy working on nutrition</td>
</tr>
<tr>
<td></td>
<td>- Enjoy eating outside, and enjoy touring, and others.</td>
</tr>
<tr>
<td>Ambition</td>
<td>- Chance for employment and progression</td>
</tr>
<tr>
<td></td>
<td>- Chance for being an entrepreneur</td>
</tr>
<tr>
<td></td>
<td>- Require an independent work</td>
</tr>
</tbody>
</table>

**Chart 2** Show reasons of students who selected the hospitality industry programme


It is apparent that in the present, many students are interested to learn about the hospitality industry, because they realized that the servicing is interesting. With a thorough learning, they could enter the business realm with confidence, and would also acquire a chance to be an entrepreneur themselves. Moreover, they would be able to learn other means in being the entrepreneur, such as through the concession or the privilege in running the business.

Many new businessmen decided to choose the food business, which is the servicing business, giving an opportunity for the management acuity. The Restaurant Association of the United States (NRA NEWS 1985:17) stated that “The food servicing is the fastest growing servicing business. This business is also in the interest of new groups of student. They are interested to learn about this subject, even while they were still studying.”
In a residential area, the small hotel business of one couple expanded steadily. They administered the marketing, and administered their small lodging, with a front compartment made into an office. This small lodging expanded to the facilitation of 50 rooms, each room was furnished with one small bed and cleaning facilities. Their management gradually expanded into large condominiums, and eventually became a real estate business dealing with many large mansions. The Restaurant Business Magazine (Lodging 1984: 68–71) reputed on this new instance as the new rapport of freedom; meaning that “The training through the up-to-date technology, the understanding and apprehending on the significance of the organization policy, the knowledge on the marketing, and the advertisement, would all enable the smooth running of the business, with a firm step into the industrial sector.” (Restaurant Business. 1986:96).

A person with a basic knowledge on the hospitality industry would have a better change than others in the same occupation. In operating one’s own business, a person needs to have a clear understanding on the hospitality industry, in order to become a good administrator. Therefore, the trend of study in the hospitality industry went up higher and higher, and the learner would be proud in the service occupation that he is about to approach.

The Hospitality Industry is a kind of industry that plays an important role in the social and economy development, inducing a high percentage of employment, because this industry needs lots of labour force. This kind of industry can very well develop the capacity of men.

The Hospitality Industry gives a distinctive opportunity to entrepreneurs in two points:
1) Enables the expression and the initiation, with personal relationship with clients.
2) This investment needs little capital.

Presently, the hospitality industry has expanded and plays a larger role in the economy. Statistically, the expansion of the hospitality industry was 40 percent in the last decade. The operation in the hospitality industry does not only give a high return, but the servicing would also increase according to the demand of users.

The important factor in the growth of the hospitality industry is the fact that in the purchasing of service, it is worth the money paid by clients. The fact that people have higher income and the power in buying enables consumers or clients to engage others to work for
themselves, and the servicing business enables people to have more time for resting. This associates with the fact that when people have more money they would have more power to buy, enabling them to take more interest in things all around them. This, in turns, induces more needs for various services.

Most hospitality industry cannot be operated through machines nor be done automatically, like large manufacturing industries. Consequently, the production or the service is done through the labour force. Therefore, the production of each personnel would not increase rapidly in the hospitality industry, as in other business of the economy system. The expansion in services enables the disbursement in servicing business, and also induces new styles of services. As a result, more employment is needed. This indicates that the servicing business highly affects the national economy.

2.8 Hospitality Industry Management Principle

The Hospitality Industry management is operational process of the organization to offer or to sell services along with the commodities, under the control of superintendents in each organization.

The definition of the word 'management' has been given as follows:

The word management refers to “The accomplishment of tasks through other people.” (Koontz. 1972:43).

The word management refers to “The ability in amalgamating the material and labour force to accomplish the stipulated objective.” (Hutchinson. 1967:2).

The word management refers to “The organization process and the manipulation of various resources to meet the pre-determined goal.” (Dale. 1973:4).

The word management refers to “The social process, comprised of the activity set leading to the objective accomplishment, and those activities usually deal with the associations of the people.” (Newman and Summer. 1964:9)

Therefore, it can be concluded that the management is the systemized operational process with the ultimate exploitation, to accomplish the designated objective.

The management format for the hospitality industry management process is quite similar to the management process in other business operations, where each business may adhere to their favorite and admired administrators. Generally, the acceptable procedure and adhered principle is as follows:

In the administrative concept according to the principle of Luther Gulick (1968:5) the American Political Science, the administration was classified into seven principles of POSDCoRB

P  comes from  Planning
O  comes from  Organizing
S  comes from  Staffing
D  comes from  Directing
Co  comes from  Coordinating
R  comes from  Reporting
B  comes from  Budgeting

The concept in accordance with the principle of Henri Fayol (1970:4), the French Engineer, stipulated five factors, i.e. POCCC

P  comes from  Planning
O  comes from  Organizing
C  comes from  Commanding
C  comes from  Coordinating
C  comes from  Controlling

The concept in accordance with the principle of Harold D. Koontz (1970:10) stipulated 5 aspects of POSDC

P  comes from  Planning
O  comes from  Organizing
S  comes from  Staffing
D  comes from  Directing
C comes from Controlling

The concept in accordance with the principle of Ernest Dale (1973:6) designated seven factors of POSDCIR

P comes from Planning
O comes from Organizing
S comes from Staffing
D comes from Direction
C comes from Control
I comes from Innovation
R comes from Representation

It is apparent that the most administrative concepts are all in congruent such as the planning, the Organizing, the Controlling, and others. These are similar in the general sense, although the words are used differently, such as the Reporting and the Budgeting of Gulick, which refers to the Controlling. While Fayol emphasized on the Commanding and the Coordination, which Koontz and Dale combined in the Direction which includes the Commanding and the Coordination. It is therefore apparent that the administrative process is fitted in the five principles of Planning, the Organizing, the Personnel, the Direction, and the Control.

2.9.1 Planning

The Planning is the first stage of task in the administrative process, and is the basis of the whole administration. The business administrators must stipulate his target; and find means of operation in the required accomplishment. The Planning is the primary basis of the management. Without the pre-Planning, then the Organizing, the Staffing, The Commanding, and the Controlling can never occur; or should all other functions be operated without the planning those performance would ineffective. The planning is the responsibility of the executives, who set the policy of the particular business. However, in the hospitality industry, because every service personnel need to work closely with clients, therefore the service personnel must also set the work planning of their own, apart from abiding the organization planning.
The word 'planning' may be short, precise, and convenient to use, but its meaning is extensive. Lots of definitions had been given.

Louis A. Allen (1985:25) stated that “Normally, the planning is psychic. It is a conceptual process before the actual operation.”

Russell L. Aekoff (1970:1) stated that “The planning is the stipulation of the required format and size, including the procedure to accomplish the objective.”

Harold Koontz (1972:113) indicated that “The planning is the predisposition of what to be done, how to do, when to do, and who should do. In other words, the planning is the concatenation between two points. That is from our present point, and the point we would like to reach in the future.”

From this definition, the feature of the word ‘planning’ is as follows:

1. The planning appertains the future,
2. The planning associates with future activities,
3. The planning is the consecutive process.

**The Significance of Planning**

The planning is as important as the performance. Therefore, the planning must be done prior to any actual performance. The significance of the planning can be concluded as follows:

1. The Planning enables the executives (and personnel) foresee what may happen in the future, and not just perceiving the present situation.
2. The Planning enables the executive to hope that the outcome would be correct and precise to the stipulated planning; and in the case of any obstacles, and then amendments can be done promptly.
3. The Planning enables the association of the intention and the fact. Whereby, the various necessary components of the operation would be elucidated, enabling the effective use of resources in hand.
4. The Planning does not only give answers to each question, but it is also the method and the new trend for the operation.
5. The Planning enables the effective operation, because it is the fact finding to designate what should be done, the procedure, the budgeting, the labour, and the necessary material for the operation.

6. The Planning helps to reduce the capital budget in the operation, due to the coordination in various aspects; and this is the consequence of the Planning.

**The Constituent of the Planning**

The rationale of the Planning is for the decision making and choosing the correct objective. The planning would reflect the policy, regulation, operational method, operational standard, and budget. The planning is the strategy planning, and is also the basic strategy.

**Rules:** This is the stipulation on what should be done, and what should not in each circumstance, such as the food producers would have to wear their cooking hats while preparing food. This is a regulation designated by the unit. Every company would set up their own regulation for the new personnel to acknowledge before starting their work.

**Regulations and Procedure:** This like a plan or a scheme to notify who should do what, where, when, and how. This means that the procedure is the detailed planning for the operation. In every hotel, there would be a regulation for guests, so that they would behave properly while resting in the hotel.

**Operation Standard:** The standard comes after the operational procedure. The standard would make a control on the price, the cost, as well as the quality of the servicing business. There should be a special emphasize on the quality standard, such as the way to make the food tastes good, while the quality of the food should be plenary as well. Such as the standard provided by producers for clients. Every hotel must have its own standard in the sanitary. The hotel staff must work on the cleaning for eight hours every day; while each of them will clean up 12-16 rooms.

**Budget:** The budget planning is vital in a business. The business venture needs a budget in buying goods and in the investment of the operation. Executives must estimate the investment budget in each section, in order to provide the fund.
Planning Task: The planning is necessary for each of us in our daily living, and not only for organizations. The planning is the preparation as a principle for the future, through the appropriation of work and men for the required accomplishment.

A good planning has following attributes:

1. Must aim for the stipulated objective.
2. It is the inception in the function of a manager or an executive, in being the conception and the preparation. After scrutinizing the work planning, there should be coordination between various units.
3. This is the responsibility of every administrator in every level.
4. Enables the achievement in accordance with the objective.

Consequence of Good Planning

1. Enables every relevant personnel to know what he should do, where, when, and how; including the amount of achievement in the designated time.
2. Executives or managers at every level would be able to speculate the achievement, qualitatively and quantitatively, as well as on the time.
3. An executive or manager at every level is able to control the operation to achieve the required accomplishment.

2.9.2 Organizing

The organizing is the second step to be done. This is the organizing of various constituents derived from the planning, so that every portion would be deployed with an association at every portion of the function.

The organizing is important, because men spend most of their times within an organization. Each man would not be able to accomplish his required objective all by himself. Men must cooperate to make the accomplishment. Hence, men set up organizations to become a contrivance in subjugating various potent circumstances exceeding the ability of each individual person.
The Definition of an Organization

An organization is a process in managing the structure for many persons who work together to achieve various objectives (Hick, 1972:23)

The principle of an organization may be concluded as follows:

1. An organization is always composed of more than two persons.
2. Persons in an organization wish to perform something, whatsoever, that associate with each other.
3. Various associations in the collaboration of the particular organization must be stipulated in any of the organizational structure.
4. Every person in the organization has his own personal objective. Hence, some activities of individuals in the organization occurred from each of his personal objectives. The reason that persons partake in the organization was with the hope that the organization would enable them to accomplish their personal goals.
5. The associated collaboration would enable the concurrently reciprocities accomplishment.

Organizations must depend upon each other, with reciprocities support and assistance, in order to accomplish their stipulated goals and objectives.

Organization Objective

Every organization must start with the designation on its objective which is much influential to the organization. The reason is that the objective is not only the right operation procedure, but it also manifests reasons for the operation. Hence the objective designation is the basic preparation in the collaboration. It can also develop a good morale, with a significance to the standard stipulation for an effective control.

Organization Structure

The manifestation on the organization structure can be done through the Organization Chart. The Organization Chart is a simple drawing, enabling a perception on the activity, the classification, as well as the stages in the hierarchical control.
The hospitality industry organization depends upon the format and the size of the particular industry. Whereby, control lines would enable a simple and non-sophisticate design. In this case, a long control line would be classified into many stages.

**Organization Format**

The organization format of the hospitality industry is to classify the operation into various activities within the objective scope of the organization. In this case, similar work or activities would be in the same category. This process of the operation classification or the work division has following principle:

1. The division of work in accordance with the operation.
2. The division of work in accordance with the manufacturing process.
3. The division of work through the area scope.
4. The division of work through the client information.
5. The division of work in accordance with products.

![Chart 2 Organization of Small Enterprise](chart.png)
The above chart enables a perception of various activities of the organization divisions, and who should be reported, who should supervise. This shows the association between the supervisors and the subordinates, such as housekeepers in hotels would be directly under the supervision of the Room Department Manager.

Whereby, a larger enterprise needs more supervisors to fit in between the Room Department Manager and housekeepers. While the Front Office and other departments can be divided into quite a number of divisions.

Chart 3 Organization of Medium Enterprise
It is apparent that when a hotel business enlarges, the hierarchy of the organization increases, with more supervisors and personnel. The organization structure would have diversified stages. In an organization with a multi-stage structure, the executive would give his commands to the person directly under him, while this person would give orders to supervisors, and these supervisors would make a control over the staff.

![Organization Chart](chart4.png)

**Chart 4** Organization of Chain Hotel

From: Gerals O. Lattin. Modern Hotel and Hotel Management. 1980:410

In the organization of large enterprises, there would be many levels of superintendents, making the chart for the particular organization to be too long to be for just one page. Hence,
charts are usually made into minor charts to show the job description. This description would specify the objective of each position, in the effect, the performer is able to accomplish the work to the objective, and able to know the relationship between various positions.

The chart as well as the job description would show the organization behavior, as to: who should follow whose direction; which part of the work is more significant; who should be the operator; and who should coordinate which part of the organization. Whereby, it also indicates the official communication access, from the top to bottom, and from the bottom to the top. When any of the part cannot be accomplished in time in the right method, then the superintendent would be able to decide on the person to approach.

**Organization Evaluation**

Organizations usually change according to the time and some circumstances as well. The question lies on which circumstance would effect the change, and how the organization can make a suitable adaptation. This is a matter which executives and relevant persons should make the judgment, through following approaches:

1) **Package Approach**: This is an organization analysis, to see if there had been any contradictory performance to the good rules of the organization; for example, the scope of control was too wide; or, there was no definite designation on the supervising line, etc.

2) **Informal Approach**: This is the straight forward and short questions, to find amendments to the defects. This method needs knowledge in posing an appropriate and associate question, in order to attain the required factual condition.

3) **Comparison Approach**: This is the comparison with other organizations in the same category, or who are competitors. However, the study from the chart or the diagram of other organizations may not give sufficient factors, become some of the information is not being completely manifested in the particular chart.

4) **Ideal Approach**: In this approach, it is required to draw up an ideal organization first, trying to find an answer to the question of “What should a good organization be? What should an executive do, and who authority should he need?” Then this ideal should be compared to the reality, and the difference would be amended.
5) Quantitative Approach: This approach is specifically on the measurement, calculating on various comparative rates, such as the rate in the number of administrative officers and the operation staff; the number of official staff to the operators; the number of units to the number of personnel; the comparison on various ratios of the business to the particular industry, and to the country, etc. This method is quite effective. However, in some circumstances, it is impossible to find reliable information.

2.9.3 Staffing

The staffing of personal to the work is most important for the hospitality industry. This is because the attribute of the hospitality industry is the labour work while the tool and machines play the least part. Therefore, it is essential to sort for suitable personnel to fit the particular position, or put the right man to the right job.

The purview of the staffing to the work can be classified into six stages, i.e.

1) Required manpower specification;
2) Selection for personnel to the position;
3) The option;
4) The transference, and the promotion;
5) The training;
6) The mutuality.

1) Required Manpower Specification

In the first stage of the required manpower specification, there must be the manpower planning for the organization, with a future speculation on the number of personnel to work in various positions, including the required qualification. It is required to know the various functions in the particular organization, as well as the responsibility which that particular position should take, including the action to be taken through the job description. The personnel specification is needed for the suitable person for each position. After finding the required person for the future, the executive has a way in selecting the required person for the vacant post.
2) Personnel Selection

The personnel selection is the stage next to the manpower specification. After knowing the required manpower, then it is easier to find the right person to put to the right job.

The personnel selection can be done through two main sources:

2.1) Selection from within the organization: This is an effective way in boosting the morale and spirit, as well as the loyalty to the organization. This can be done through the selection or the promotion, from the knowledge, ability, and the possibility.

2.2) Selection from outside the organization: This is the selection from other places. From this method, the organization would get the qualified person that fits the right job. But this is usually after considering the existing personnel within the organization. The outside selection, may be done from many sources, such as the education institution, the university, the college, with the branch of the vacant position, including training places. In this case, the recruitment may be done through the advertisement, or from the students who come for training.

Another way of recruiting the personnel this is the questing for persons from various sources. But this method is time consuming and needs lots of expenses. In the oversea, there was the ‘One Stop Job Information Center’. This is the consenter of those who wish to work. This center also apprise on units for new employment. Hence, people who wish to work and people who wish to employ can meet at a short time, while this is an extensive questing. This method enables the effective, economic and prompt recruitment.

3) Selection

After selecting the personnel to apply for the position with the particular organization, and this would be the stage for the selection and the determination on persons to be employed.

There are many selection methods:

- Investigation on personal records
- Interview
- Tests through examination
- Intelligent Quotient examination
Following is the principle in selecting the personnel according to the level of the work:

1) Working staff: In the servicing business, this level of staff would be the cleaning staff, the waiters, and the receptionists. What should be taken in mind would be the age and the working ability. The staff must be good looking with a suitable personality to the work. For example, the cleaning staff should be robust, while the receptionist should look genial, with a good human relation. He should also know how to converse with others, and should also have a good command of the foreign language.

2) The experienced staff and the labour work: In the servicing business, this level of staff need to be well versed in their own function. For this stage of employment, it is important to consider on the level of education, the age, the experience, and the working skill. These are the electrician, and other specialists.

3) The management level: This level is to make supervision on every line of the work right from the top, which is the level of Directors to the level of Managers and the level of supervisors. Whereby the level of qualification, the dexterity, and the experience in operation line, must be taken into consideration. These executives must be able to train and develop the personnel, apart from the task of controlling the operation line.

4) Transference and Promotion

The transference refers to the translocation of the person from one position to another in the same level, without changing the status or the salary level.

The promotion refers to the translocation of the person from one position to a higher position, with a change of status and the salary level.

In some cases, the translocation of personnel is inevitable to make amendments through the wrong selection and the wrong installment. That is when any one executive or staff is unable to perform his duty suitably to the position or the designation, while the personnel executives and his supervisor observed that he may perform better in other duties; or in the case that the person himself ask for a transfer because he dislikes his own supervisor; or he may think that other work might lead to a better promotion; or he may seek to
experience in many fields. While in some cases, it is the organization's discretion that there are too many staff in a particular unit, while there is a lack of manpower in another unit.

It is a hard work to decide on promoting any one person from a particular group of persons to a higher position. This is because the task in a higher position would be more difficult than the work in the lower position; and also needs better knowledge and experience. Therefore, an executive needs an apparatus to help him making the decision, and this may be the appraisal with a consideration on the performance. This is usually applicable for the executive staff. Whereby, each supervisor would be asked to appraise his subordinates.

5) Training

In the servicing business, the training is crucial, because the personnel had to acquire the knowledge, and the ability in servicing clients well. Whereby, in the technical expertise, there need to be a good training.

The training is a process conducing the skill and knowledge. It is procured under a certain condition to accumulate the knowledge, and train the working ability and competency to change the behavior of a person to the required direction.

Training Objective

1. It is for the personnel to acquire more knowledge and understanding in the particular position, including the teaching of new techniques in the servicing. This would enable the personnel to operate with highest efficiency, producing more profit for the organization.

2. It is the personnel development to a level of competency, with an aim in the translocation, or the transference, as well as for the promotion.

3. It is for the personality development in the working and the collaboration with others, because the hospitality industry needs to acquire the demeanor, the good personality that is reliance to clients; and also to create a good image for the organization. Moreover, the personnel have to work efficiently in concordance with other units associated to themselves, for the smooth operation of the organization.

4. It is for the personnel to acquire the learning and the understanding in the policy and the objective of the organization, in order to create the good relationship between the employer and the employee, hence stabilizing the enterprise
In the actual fact, the training is the direct responsibility of the executive in the Line Management, since he is authorized in giving orders, with a controlling power to engineer the training to be in accordance with the objective; and in each training, the senior executive have to give the approval. The training officers would come from various units for the suitability of the particular training.

**Type of Training**

There are many types of training according to the curriculum, the training, and the position, etc. The training can be classified into two categories: (1) Pre-service Training (2) In-service Training

(1) *Pre-service Training*

This can be classified into two parts:

(1.1) Orientation: This is set up for welcoming or to introduce personnel to get to know the unit, the organization, or the institute; and to get to know the structure of the organization, or the unit; to get to know the objective and the policy, as well as the rules, regulations, and various disciplines; and also to acquire the knowledge and experience about this particular unit.

(1.2) Introduction Training: This is the recommending or the teaching on the operation in a particular function in order to create the attitude for the personnel on the new job to get a feeling that he is a part of the organization, which would induce the correct inception on the work.

(2) *In-service Training*

This can be classified into two classes:

(2.1) On the Job Training: This is to emphasize on the actual performance, and for the trainee to start on the actual operation through the training from the administrator or colleagues, or the superior in the particular function. There may be the application of the demonstrative technique or the expounding prior to the training, then the trainee would start the actual operation, such as the room reservation in the Front Office, and the room cleaning in the Housekeeper.
(2.2) Off the Job Training: This is training outside the organization with a different environment. The off-the-job training may be in the training in different organizations of the same conglomerate.

6) Mutuality

For the application to various positions of the business, the required aim is the emolument. Further requirements are the welfare, the security, the morale and courage. In this case, an executive need some means in gives a fair advantage to the personnel. The executives need to find means in the adequate and just requital for the personnel, to impel the full collaboration of the personnel.

Emolument and Salary

The fair wage and salary planning is vital to a business. The payment of wage and salary lower than that generally paid, is a way to lose a competent personnel. The emolument is the hourly wage paid to the work, while the salary is the fixed amount of money paid every week, or fortnight, or month.

The emolument and the salary is evidently significant to the personnel, and expenses should be according to the description of the work. The work classification and the appraisal on the performance would help on specifying the emolument and salary. The equitable emolument and salary will be designated for each work through the work classification. The preparation for a periodical raise is possible through the abidance on the ability or the period of service. The good emolument and salary should be equitable, and should also be simple and flexible.

The Type of Emolument/Salary

The servicing business should use an easy planning for the emolument/salary. This emolument is usually the monthly wage, the hourly wage, the payment from performance, and the bonus or commission.
Salary

The emolument and the salary planning are most preferable in the servicing business. In this case, the personnel would receive the definite annual amount, and this is the easy emolument planning to the administration and the understanding.

The Hourly Wage

Some enterprises pay an hourly wage to the staff in a particular rate. This type of planning is advantageous when it is hard to measure the output of the personnel and in the feature of the work where the personnel must be shifted frequently every day.

Performance Emolument

This type of planning emolument is an incentive to the personnel. In the performance emolument there must be a stipulation on the fair standard. In this payment, the performance is highly considered. Should the performance be outstanding, then the payment would be high. However, in this case, the payer must be very careful on the impurity.

Bonus or Commission

The bonus planning would be executed when the operation of the enterprise was satisfactorily successful with a good profit. Then a bonus would be given to the staff as an incentive. Generally, the bonus would be given annually. But in some types of business, such as the hotel business, and the restaurant, the bonus may be paid monthly, by the name of the ‘Service Charge’. This amount would be collected from clients and would be shared out amongst the personnel.

The commission is paid to the personnel who could sell commodities or services for the enterprise; and this is paid by the percentage of the total sales. In the servicing business there is the commission paid to the sales staff as well, such as in the tour business, and the hotel business.

2.9.4 Directing

The directing refers to the instruction to accomplish the work according to the stipulated planning, through the operation of the personnel in the organization, in the system set by the organization.
The directing has three methods:

(1) The entrustment
(2) The coordination
(3) The amendment.

(1) **Entrustment:** The word entrustment refers to the fact that supervisors assign the work in his responsibility to subordinates, in order to accomplish the work according to the objective. This is because the executive alone is not able to accomplish many tasks at the same time. However, the entrustment is not the discharge responsibility, and the supervisor must keep a close watch to the entrusted responsibility. In this case, he must learn to keep the medium path, to get the best achievement, and the assignee has to feel free in executing the work. In the entrustment, following aspects must be taken into consideration:

(1.1) The entrustment must be devolved to the position and not to the person. Therefore, the work should be entrusted through the consecutive stages in the Line Management.

(1.2) The superior must be willing to delegate the authority to subordinates, and the authorized delegation should be in an adequate amount of work. At the same time, the entrusted person must be willing to take the responsibility and to accomplish the assigned objective.

(1.3) The superior must consider the suitable responsibility to be entrusted to others. Generally, the entrusted authority should not affect the main principle, and should be the common work.

(1.4) After the entrustment of authority, the executive must avoid the problem of interference with the entrusted work, because it would turn out to be the entrustment of the work and not the entrustment of authority. Therefore, it is the duty of the entrusted person to report to the superior about the movement of the work.

(1.5) The entrustment may be done through many ways, and many levels, according to the suitability. However, it must be taken in mind that the entrustment is not the discharge of the superior from the particular responsibility. Moreover, the accountability must be on the consecutive basis. The top executive must take the overall accountability.
The words 'the entrustment of authority' and the words 'the entrustment of work' usually lead to confusion. The differences of these words are:

'The entrustment of work' is the instruction for the subordinate to operate the designated work, but the person would have no authority to decide or to make a final decision by himself, and he must consult his superior before taking any action.

Whereas in the 'entrustment of authority' the assigned subordinate is authorized to make an absolute decisions in his superior's stead.

(2) **Coordination:** The coordination is an action to induce a unanimous cooperation in an operation, with a harmonious and systematized arrangement, to the equilibrium and the accomplishment of the stipulated objective.

This is the prime coordination which should be the skill acquired by executives; being comprised of:

(2.1) Arrange the chart and designate the function: This is the function classification according to the feature of the work, as well as the designation on the elucidated authority of each position, in order to avoid the reiteration and the intervention of duties.

(2.2) Arrange a convenient, swift, and effective communication system: The aim is to disburse the task to every working unit so that the work would not be set behindhand. This communication includes the internal and the external communication of the organization. Whereby, this should be a bilateral communication.

(2.3) The use of committee: In the large organizations with many operators in many branches, the committee is set up from various units, to cooperate in the operation. Such coordination is the collaborative the responsibility of the committee, and is the current effective coordination.

(2.4) Budgeting: The budgeting can be done through the partaking of the operators to enable the facilitation of various operations. Since operators know their own financial condition, as well as the significance and the necessity both before and after their own operation, compared with the operation of other units.
(2.5) Informal contacts: The informal contact is much helpful, and is a most popular method of coordination. This is because a much too formal contact may retard the work, causing losses.

(2.6) Training: Set the training and personnel development to acquire the good understanding in the role and duty. The fact lies that the good superior would conduce a good collaboration.

(2.7) Entrustment: Arrange for entrustment of power to off-burden the superiors. This action is constructive, and induces a good understanding and unanimity among the colleagues, which is advantageous to the coordination. A good superior should not be reserved on the authority, and should not fear that others may show a better performance.

(3) Amendment: Amendment refers to the initiation on the better facilitation and efficiency of the work. There are three principles in the work amendment:

(3.1) The work disbursement
(3.2) Work array
(3.3) The calculation and control on the amount of work.

Although these three kinds of work may take a different way of execution, but each task must coordinate harmoniously.

2.9.5 Controlling

The controlling refers to the follow up on the output of the performance, to see that it is in accordance with the planning, the recommendation, and the stipulated principle. This method of following up is helpful in amending errors causing losses, and can also avoid repetitive mistakes.

The control management refers to the examination and the evaluation, as well as the amendment on the performance of the personnel. These action would compel various activities to flow in accordance with the stipulated plan. Therefore, every administrator in the organization, from the top executive to the chief worker, is responsible in supervising the task to accomplish the organization objective.

Every activity is controllable:
Quantity Control
Quality Control
Time Control
Expense Control

Control Process

The Control Process has three stages as follows:

(1) Standardization

(2) Performance Evaluation Comparing to the Standard

(3) Amendment on Erratic Conditions from the Standard/Planning.

(1) Standardization: The first stage is the work standardization to be used as a measurement on the operation. The stipulated standard must be in accordance with the planning to be performed in each operation and each character. This might be the data showing the number of products, the number of time for labour servicing, the hourly labour servicing, the speed of servicing, and others that are concrete and countable. In some cases, the standard is stipulated in the amount of money, such as the capital, the income or the investment. Moreover, there are other standards used in the measurement on the performance.

(2) The Performance Evaluation Comparing to the Standard: After the standard had been designated, the next stage is the measuring or the evaluating on various relevant performances, for the present as well as for the future. The volume of evaluation depends upon the method as well as the difficulty and easiness used for the particular standard stipulation. For example, the standardization in producing one product in a large number, maybe done through the study on the time used in working with just one production, through the Time and Motion Study. Whereby, the outcome of this study would be used in considering the stipulation on the standard of the hourly wage. After stipulating the hourly wage standard, the performance measurement may be done through the comparison of the acquired performance to the standard. Should it show no difference, then this means that the performance was totally in accordance with the speculation?

However, for some types of activities it is difficult to stipulate on the definite standard, such as a specific work, or a task with a specific operation. Then this method of evaluation would not be very convenient.
(3) Amendment on erratic conditions from the standard: The Amendment on erratic conditions is the last stage of the standard control process. Should the stipulated standard be characterized suitably to the organization, then the performance evaluation is helpful in the elucidated depiction on the flaw and errors to be amended. This enables the administration or the work supervisor who entrusted the work to the individual or to the group of individuals, to know where the flaw occurs.

The Advantage of Control

(1) This enables the accomplishment in designating the responsibility of each individual.

(2) It enables the prompt and effective amendment on the flaws. Moreover, a constant evaluation on the performance enables the responsible administrator to make amendments. For example, when there is a report that various material is being over used, the superior must make a quick consideration on the cause. In this case, his subordinate might misuse the material, or due to other factors. From the particular report, the examination officer would see if workers are handling the material correctly; the Purchasing Department would check on materials purchased; the Engineer would specify on the suitable amount of material to be used. These actions must be done one the spot, with concentration. Any administrator who made errors in the past would try his best to prevent the same mistake in the future.

(3) This is the indirect control task abatement. In this case, the stipulation on the responsibility of each individual is able to economize lots of indirect control expenses. This is due to a constant administrative evaluation of the executives, which is a responsibility in staffing the organization.

(4) The psychic advantage is a mental benefit. It is helpful not to let a subordinate feel that his superior is appraising him unfairly. After this feeling had been eradicated, then he would be able to know how he should act, and acquire a better understanding on the character of the administrative work.

Compendium

The Hospitality Industry is composed of many types of business such as the tourist industry, the hotel industry, the food industry, the logistic industry, and others. Each industry
has its own characteristic, but they all relate to each other and associate with each other, with reciprocative supports.

The Hospitality Industry has many facets of significance such as in the economy. This induces more employment in enhancing the education standard. Whereby, the manpower resource of the country can be manipulated scrupulously to the ultimate exploitation. Since we are in the globalization era, the communication is convenience and rapid. The traveling can be done through lots of means. People are being easily and rapidly transported to various continents, in their business dealings, and personal dealings. In which case, people travel to and fro, and have to use the hospitality industry, considering the lodging, the food services, the tour service, the transportation. Whereby, the hospitality industry entrepreneurs would analyze the trend of changes, and would make new developments in the coterie to enhance their own services giving a better efficacy.

The Hospitality Industry is expanding very rapidly and eventually become large industries, with high statistical income for the country. This rapid growth does not only happen in Thailand, but it is the global phenomenal. This type of industry appears all over the world. Consequently, there is the intense service competition. Hence, there is a constant need for a large number of trained and experienced personnel. It was said that only in England, there are more than one million personnel working in the hotel business and in the restaurant business. In Thailand, there are quite a number of personnel in the hospitality industry. Therefore, it is imperative for administrators in the hospitality industry to learn scrupulously about the character of the hospitality industry, including the significance and the strategy of the servicing, in order that their own industrial management would become effective in the international standard.

The International Standard Hospitality Industry needs a standardized administration. Whereby, administrators must stipulate on the operation procedure, through the deployment of the administrative process to be suitable to the format, character and size of the enterprise, with an adaptation of the international administrative process to their own enterprises.

**Planning:** The administrative planning must commence right from the business inception: for example, the constructed hotel with a specific aim to run a hotel business, the planning would be for the standardization, convenience, luxury, and economy, with a possibility for extension in the future. A successful hospitality industry needs a congruent
administrative planning with the type, character, and the environment of the particular business.

**Organizing:** Industries with different sizes have different organization structures. While the organizing for small enterprises would be more simple, with just one manager supervising all the functions, through the simple communication. This may be a direct communication between the personnel and the manager, and the personnel would also be able to coordinate with other departments by themselves. But when the enterprise grows bigger, various tasks would have to be classified into minor units, with a supervisor taking care of each unit. In a large hospitality industry enterprise, the amount of each task would be so much that each department would be specialized only on one phase. And there is the least opportunity of any person’s task to associate with that of others which is unlike that of the small enterprise.

**Staffing:** In the hospitality industry, it is a primary necessity to get competent personnel who specifically favours the servicing. The quality of the personnel would effect the quality and the efficacy of the work. The quality of the personnel is the good attitude to the work, with a good incentive, including the suitable and adequate training.

**Instruction:** Administrators are to give instructions on the task accomplishment, in accordance with the work planning and the stipulated policy. Whereby, the personnel must abide to the instruction effectively. The success of the servicing depends on the instruction, and the good communication. Because various departments and each personnel, who may be in the same department or in the different departments, must mutually depend on the information of each other.

**Controlling:** The servicing is infallible, because should a fault occurs, then it would be hard to rectify. Such as when a client uses the food service in a hotel, and the waiter was impolite. In this case, a bad image would imprint the customer, and it would be hard to retrieve on a good attitude.

Therefore, there must be a close control in the hospitality industry. It is apparent that the bigger an enterprise becomes, the more minor units would appear, because there is a need for a closer surveillance.
The Hospitality Industry is a sophisticated task. The scrupulous learning and understanding on the task in the hospitality industry is very important in accomplishing the task. The learning on the administrative process in the hospitality industry is the learning on the administrative process in the general business operation. Whereby the administrative principle of any noted administrator may be abided and adapted to the present work. Generally, these principles usually composed of the Planning, the Organizing, the Staffing, the Direction, and the controlling. Whereby the management must be done with circumspection, for the optimum effectiveness of the industry and to be advantageous to the personnel, who are the prime labourers of the Industry.

2.10 CONCEPT DEVELOPMENT AND ECONOMIC POSITION OF HOTEL BUSINESS IN THAILAND

Significance should be given to various points relevant to the following marketing for hotel business:

1. The business concept pertaining to building up customers is to create the relationship between the room requirement and the use of service by customers. In this case, the hotel business must strive to keep its customers, so that they would return to buy rooms with a continuous and constant service using.

2. The business concept pertaining to the ability in solving problems for customers when they met with problems. The servicing task of the hotel business is to give complaisance to customers, with an ability to solve problems for them. In the accommodation of clients in the particular hotel, they may have some requirements or expectations. The hotel business must give the particular service and respond to requirements of clients. The room rates, and service rates, have to be moderate. Moreover, they must be able to solve problems for clients, and give services, or provide whatever is required by clients. However, these requirements must be suitable and righteous within the good morals, custom, culture, and circumstance both within and outside the business.

3. The concept of concentrating on the marketing and the sociality, commensurately, is to be mindful on the security and the safety of clients who require for a long stay and servicing. Moreover, they must be responsible for various problems to be absorbed by the
community from their business operation, such as the problem on the polluted environment, the economizing, the dissipation of energy, and not keeping to the energy frugality policy; the negligence to the abidance on the governmental rules and regulations on the physical plant safety, the public utility system, the sewage system, and the garbage disposal.

4. The concept appertaining to the proprietor of the hotel business, who tends to expand the hotel business expansion, using a large investment; this caused the hotel business to excessive to the requirement of clients. Sometimes, these expansions need a loan from finance institutions or from other sources, and encountered operation problems. The reason was that the project was suitable and the practical readiness for the investment on the construction was only on the phase of location and site without a requirement nor a possibility on the marketing; and also without a study on the marketing feasibility nor the long term planning on the marketing.

2.10.1 The Term and Definition of Marketing in the Hotel Business

The marketing associates with the daily life of consumers. This is apparent from the perseverance to respond to the requirements of customers. Therefore the term and definition of the marketing would include various marketing activities, with a need for a decision on an option for the application for resources on hand, in order to respond effectively to requirements of service user. In this case, the marketing administrator or the business executive must take a decision to solve problems pertaining to the requirements of consumers, and to respond to requirements of consumers, reciprocally, through the profit. In the abridgement, the marketing is a perseverance in providing activities of reducing risks through a systematic technique, in order to evaluate the situation and to find criteria in responding to requirements of customers; while the selling and the advertisement is only a part of the marketing.

Notable marketers gave a definition to the word ‘marketing’ as follows:

Professor Philip Kotler cited that the word ‘marketing’ refers to activities of man in responding to the requirement and contentment through the reciprocating process.

Processor William J. Stanton stated that the marketing is the business activity reaction system related to the planning, the price stipulation, the marketing support, the commodity
distribution and the services to respond to requirements of clients, who are the present customers, as well as anticipated customers for the future.

The American Marketing Association Committee explicated that the marketing is the business operation pertaining to various activities so that the commodities and services would respond to requirements of customers who are the present customers, as well as anticipated customers for the future.

From the above definition of the word ‘marketing’, the essence on the meaning of marketing related to the hotel business may be classified as follows:

1) In the respond to the requirement or the contentment of service users, marketers in the hotel business must strive to respond to the requirement of service users all the time, in order to achieve the business objective for the hotel business.

2) The marketing activity of the hotel business, related to the servicing proposal to service users, is the marketing component comprised of the planning development on guest rooms and the servicing, which both are products; the provision for a distributing source, or the place; the marketing promotion; including the market research, as well as other pertinent activities to the marketing, in order to respond to the requirement and contentment of service users.

3) The marketing activity of the hotel business mainly concentrates on the service users. Whereby, the hotel business needs marketing activities to promote the sales in order to respond to service users of hotel business. This caused reciprocation between the vender and the vendee of guest rooms and services of the hotel business, for the contentment of hotel business administrators including the hotel business shareholders.

2.10.2 The Role and Significance of the Marketing for Hotel Business

The marketing is an important mechanic in responding to the requirement of consumers, so that producers or servicer may accomplish their business operation objectives, which is the profit according to the stipulated objective. Hence, the business marketing takes its significant role in the country development in following phases:

1) The marketing enables the utilization on national resources to be more worthy, with a better efficiency.
2) The marketing is a mechanic which enables people to give more significance and interest to the life quality and to the environment around us.

3) The producer and services must use modernized technology to create the quality of the product and services, which would enable a lower rate for the commodity and services, with a suitable system for people to buy commodities and services. After the leftover from products consumed by the people of the country, there would be a promotion for the exportation of commodities and services, to seek foreign currencies from abroad, effecting the commercial balance and the national balance of payment, which is advantageous to the economic condition of the country.

The marketing in the hotel business can reinforce the economic system and international trading, only when the hotel business has a good marketing administrative management, while the marketing in the hotel business focuses on the selling of services. Therefore, hotel business administrators should focus on the marketing, adhering to the principle that “Service users are more significant than the General Manager”.

From the fact that the marketing of the hotel business relates with the servicing to service user, and appertains with the hospitality, the amicability, and the conviviality, the hotel personnel and servicers have to welcome service users and impress them. In this case, they should feel comfortable, as if they were in their second homes.

Currently, hotels give more significance and interest to the marketing, while the marketing is playing more roles in the hotel business. From the expansion of large hotel constructions, it is necessary to sell a large number of guest rooms before hand. While changes may occur in various factors, such as the politics, the transportation and communication, including the expansion on industries, economy, and technology. The government focused on the development of various tourist highlights in the country in order to attract tourists, both internally and externally, resulting in the development of guest rooms of the hotel business and executed the marketing strategy to support the selling. Moreover, there is an extensive improvement on the hotel business operation to attract tourists and clients, focusing on clients in the target group. All sorts of facilities have been provided, such as the bar and restaurant within the hotel, transportation services for clients and tourists, the laundry service, gift shops, etc.
2.10.3 The Marketing Role in the Hotel Business

The marketing subserves in creating the income for the hotel business, giving an effect to the economic and social system of the country. The benefit of the marketing in the hotel business can be classified as followed:

1) Enables people to earn their living, with work to do.
2) Enables the circulation in the application of resources.
3) Enables the service requirement in the hotel business.
4) Enables better changes in the economy and society of the country.
5) Takes a significant role in creating employment and vocations in the hotel business.
6) Provides marketing activities on various phases.
7) Enables international contacts.

2.10.4 Market Segmentations

1) Domestic Leisure Customers

These are the inhabitance of the country, who make a tour in a group or family, or privately. They may contact through travel agencies within the country.

2) Inbound Leisure Customers.

These are foreign tourists who come especially for traveling. They may make reservations through foreign or local travel agencies, or make a direct reservation to the hotel. However, 85 percent of them would reserve through travel agencies.

3) Seminar/Exhibition Customers

These are the external and external groups of clients who come for conference and seminars; and put up exhibitions within the hotel. In this case, customers may either make a direct contact to the hotel or through agents.
4) Corporate Group

These are clients of private companies, and stores both internally and externally, with a variety of business operations. These people traveled on business contacts, and they would mostly make direct contacts with the hotel.

5) Airlines

These are clients who work in various airlines, such as the airhostesses, and the airline staff, including the transit or transfer passengers of delayed flights, or lay over passengers. In this case, passengers would have to stay overnight at the hotel, while the airline is responsible in making the booking and the payment to the hotel.

6) Government Officers

These clients come from various government sectors, such as ministers, departments, and sections; including various government enterprises, such as The Metropolitan Electricity Authority, Metropolitan Waterworks Authority, The Petroleum Authority of Thailand, and etc. These people would make a direct contact to the hotel.

2.10.5 Varieties and Classifications of Hotels

1) Varieties of Accommodation

Currently, there are many types of accommodations for tourists, which the Tourist Authority of Thailand gave definitions in the "Tour Definition for Statistics" and "The Significant Definition for Touring" as follows:

**Hotel** refers to accommodations specifically built up, and segmented in to guest rooms, with the necessary facilitation for travelers, while rental would be collected per room.

**Guest House** refers to accommodations which proprietors provided for tourists. These accommodations may be in either of following aspects: (1) In the form of a house which the proprietor provided a part to serve tourists (2) In the form of a hotel but rules and regulations are not quite as strict as hotels.

This kind of accommodation has two rates of charges. One is the high rate of service, these rooms would be accommodated with all facilities such as the bathroom, and the
telephone within the room; and the other is the low rate service where clients have to use the bathrooms and telephone with others.

**Bungalow** refers to houses of residence provided for tourists, where there may be either one bedroom or more.

**Cousin's** or **Friend's** refers to accommodations within houses of cousins or friends of tourists, where they may stay without having to pay for rents.

**Guest Houses for Government Sector** refers to accommodations provided by the government sector in various provinces to welcome government guests or any relevant persons. These places may be resided without payment.

**Guest Houses for Private Sector** refers to accommodations provided by the private sector in various provinces to welcome company guests or company personnel to the particular province. This is a part of the company welfare.

**Temples** refers to places for religious activities, with a place provided for travelers and this service is free of charge, except when dwellers would like to make some charity according to their own devoutness.

**Youth Hostel** refers the accommodation provided by a group of persons so that the group members may use this service in the economized rate, and outsiders may also utilize this service. Examples of these places are the YMCA Youth Hostel, the YWCA Youth Hostel, and etc.

**Government Guest Houses at Traveling Sources** refers to the accommodations of various government units situated at offices of government units at the particular traveling source, constructed for the accommodation of tourists. However, they must make a prior contact to the supervising unit. Examples of these places are residences of The National Park Department, Forest Department, The Electricity Generating Authority of Thailand, Department of Irrigation, and etc.

2) **Discrimination on Varieties and Classification of Hotels**

In order that tourists would perceive about the variety of services and expenses which may be chosen for accommodation according to the objective and suitability of one’s
economic situation, there is a classification on hotels, with the correct arrangement of the group of standard hotels. Whereby, this classification may vary internationally. However, in the same country, the same criterion should be applied. For each country, the person to make such stipulation would be the government, or the national tourist organization or the hotel association of each country.

**Criterion on Stipulating the Type of Hotels**

There are many ideas on allocating the type of hotels causing a conflict of ideas. However, the allocation of concept is the international system, with the application of various factors in stipulating the type of hotels as follows:

1. Stipulate by the length of stay.
2. Stipulate by the location of the hotel.
3. The size characterization.
4. Stipulate according to the form of construction.
5. Stipulate according to the administrative system.
6. Stipulate according to the guest room rate.
7. Stipulate according to the objective of stay.
8. The categorization by the standard implement of the facility service for clients, as well as the number of personnel.

**Examples of the Stipulation on the Type of Hotels**

(1) Stipulation by the Length of Stay

(1.1) In the service for a short stay, the rental rate is set at a daily rate called Commercial Hotel or Transient Hotel or Full Line of Service Hotel. These are hotels in general, of every type and class.

(1.2) In the service for a long stay, or a monthly stay, this would be provided by the Residential Hotel, where the rental per room is a monthly charge. Examples of these are the administration in the form of Flat, Apartment, Condominium, Dormitory, Hostel, and etc. Presently, these have been developed into first class hotels, called the Service Apartment.

(2) Stipulation by the Location
(2.1) Town Hotel or City Hotel locates within the city, with a full management format.

(2.2) The Resort is the hotel locating near the natural touring source. The current resort that has no tourist source may construct into a large hotel call the Mega Resort, similar to Casino Hotel in Las Vegas.

(2.3) Hotels situate on the transportation terminal, provides a temporary accommodation for travelers, like the Airport Hotel situated by the airport, and the Station Hotel and Boarding House situated at the railway station and harbour. In the olden days these places provided a temporary stay, and we may call this kind of hotel as the Terminal Hotel.

(2.4) Highway hotels also have many other names according its specific format, such as Motel, Motor Hotel, Motor Lodge, Motor Inn, etc.

(3) Size Characterization

There are three factors for this concept, using the qualitative data in the classification, with the application of the qualitative analysis:

(3.1) To stipulate on the number of rooms:
- Small size hotel, with rooms not exceeding 100 rooms.
- Medium size hotel, with rooms around 100 – 300 rooms
- Large size hotel, with rooms over 601 rooms.

(3.2) The stipulation according to the average rental income per room.

(3.3) The stipulation on the type of hotels using the Occupancy Rate for guest rooms.

(4) The Categorization by the Facilities: Hotels may be categorized as follows:

   (4.1) Hotel  (4.5) Inn
   (4.2) Motel  (4.6) Resort
   (4.3) Convention Hotel  (4.7) Casino Hotel
   (4.4) Lodge  (4.8) Hostel.
Hotel Classification

The hotel classification may be implemented through various determinants for determining the format and the collection of marks, through many names:

1) Highest Rate: This is the Five Star Hotel or Luxury Hotel or Deluxe Hotel or the Grade A Hotel. These hotels are complete in every factor, with regard to the location, the size, the facilities, the service, and price. All these are in excellent condition. In some countries, a government unit is responsible in allocating or demounting the stars. Therefore, should any hotel meet with too much complaints from customers, it might be demounted from five stars to four stars.

2) Higher than Standard: This is the Four Star Hotel or the First Class Hotel or the Grade B Hotel. This type of hotel is almost fully accommodated, in a fine standard, with services higher than the international standard. It is outstanding on the facilities and services which exceed normal hotels.

3) Medium Standard: This is the Three Star Hotel, or Moderate Class Hotel, or the Grade C Hotel. The facilities and services of this type of hotel are in the international standard; such as the size of guest rooms that are in considerate size with a 4 x 7 m. bathroom. While there would also be restaurants for selection, such as the Coffee Shop and Grill.

4) Tourist Standard: This is the Two Star Hotel or Tourist Class, or the Grade D Hotel. This type of hotel has a limited facility and service, such as only one dining room, while guest rooms would be small. Hence the rental cost would be suitable to tourists who would come in group. They would not concentrate on the luxury because the place is only for sleeping, with some meals only.

3) Economy Standard: This is the One Star Hotel or the Economy Hotel or the Grade E Hotel. This type of hotel is extremely cheap. People may rest together, and they must use bathrooms with others. Perhaps, no food is served here.

At the present, some groups of hotels in America are being classified by crowns instead of stars, through three methods. One is to classify into five levels as stated above. In the four level methods, the highest level is the Luxury Hotel, and then the First Hotel, the Moderate Hotel, and the Economy Hotel, consecutively. The method of three levels is
classified into Luxury Hotel, the First Class Hotel, and the Moderate Hotel. Contemporarily, there is also a classification in the modern Americans, which the classification also in the five levels, while the third star is for the Basic, the two higher levels is Upscale Hotel and Luxury Hotel. In this case, the Luxury Hotel is being dissected into All Suite Hotel, to show that this hotel put a very high investment in guest rooms. On the contrary, there are two types of hotels that are less superior than the three stars; which are the Economy Hotel and the Budget Hotel.

2.10.6 The Standard of Hotels in Thailand

The Thai Hotel Association stipulated the a standard for hotels for its members as follows: (Thai Hotel Association, 1990:10)

1. Size: Number of rooms must not be less than 60 rooms

2. Guest Rooms: In every guest room, there must also be a bath room.

3. The maintenance: The maintenance on various components of the hotel (the physical plant, decorations, and appliances) must be maintained in a good condition.

4. Parking: There must be an ample parking space for motor cars and vehicles, relevant to the number of guest rooms, and the restaurants, in accordance with the Law.

5. Air Condition: Within Guest Rooms, the air condition would be affiliated to the main air-conditioning system of the hotel. Hotels in Bangkok must be installed with air-conditioning. Seventy five percents of guest rooms outside Bangkok Metropolitan must be accommodated with air-conditioning.

6. Bathroom: Equipped with modern and fine quality sanitary ware. (1) Hot and cold water for twenty-four hours (2) The floor and the wall must be built craftily with solid and opaque material in beautiful colour (3) To be equipped with a public toilet for the use of every one, in a suitable number and size.
7. Reception: (1) Provide a place for reception, with a welcoming service and to give information, as well as porter services  (2) Front service personnel are to be versed in foreign language.

8. Hotel Lobby: There must be a lobby with a size relevant to the type and size of the hotel in the reception area, and there must also be a Lounge.

9. Depository Room: (1) Safe box service of not less than 20% of the number of guest rooms (2) The depository place must be provided, for miscellaneous depository.

10. Stores:  There must be stores to facilitate tourists, such as a book store, Travel Agency store, Airlines store, medicine store; and also stores to sell miscellaneous things. These stores may be within the hotel itself, or in the vicinity.

Tips  Five Classes of Hotel

***** Luxury or all suit hotel (One of the best in the country)

**** First Class Hotel or Upscale Hotel (Out standing worth a special trip)

*** Moderate Class Hotel or Basic Hotel (Excellent)

** Tourist Class Hotel (Very good)

* Economy Hotel (Good, better than average)

2.11 Hotel Administration

2.11.1 Management Format

The various formats of the hotel management system may be classified into two categories: (1) Independent Hotel  (2) Chain Hotel

The Independent Hotel

The Independent Hotel refers to the hotel with no coordinated proprietor nor administrative affiliation with other hotels. That means no associations with other hotels,
with regard to the policy, the administration, nor the monetary obligation. Therefore, the hotel is free in stipulating its own policy and administration. These hotels are diversified into two types:

1) Engaging the Management Company
2) Run by the Proprietor: This type can be divided into:
   - The proprietor, or descendents and cousins execute the management
   - Hire qualified and experienced executive to manage the hotel and also to work in other positions that is not in the capability of the proprietor nor his cousins.

Chain Hotel

The Chain Hotel can be classified into two groups:

- This group developed from the business administered by the proprietor or hired professionals to manage under his own surveillance; however this business failed.
- The group where the proprietor hired the qualified and experienced executive and negotiated with the Chain Hotels to manage his hotel, right from the construction period.

The Chain Hotel can be classified as follows

1) Self Administration: The Chain Hotel executes its own management. This group developed from the accomplishment of the hotel proprietor in his first hotel. Then he started to expand his business, by building up more guest rooms, or constructing a new hotel, engendering the large and small chain hotels.

2) Hotel Management Companies: The case where Hotel Management Company is engaged to manage the hotel where one does not own, or only partly owned, through the Management Contract, and get a management fee in return.

3) Franchise: This is the selling of license to the buyer who executes the management under the surveillance of the proprietor.
4) Voluntary Chain or Consortia: This refers to various aggregated hotels to concentrate principally on the marketing cooperation, especially on the application of the Central Reservation System, which is able to link with guest rooms in every part of the world through the computer system.

2.11.2 Administrative Structure

The organization structure management may be an apparatus in the organization management for the effective achievement of the objective. In the organization construction, the organization structure is assigned both vertically and horizontally to demonstrate the format on the operational association of units, personnel, authority, including the supervising line, as well as to show the possible communication and coordination. This is presented in the Organization Chart to show following essence:

- The work allocation is done through departments or units.
- Positions show the status of the executive in each department or unit.
- Supervising Lines show the hierarchy from the upper level to the lower level.
- The authority shows the consecutive authority from high level to the low level.
- The Main Line is the principle line; while the Staff Line is the supporting.

2.11.3 Organization Systemization Format

Both Government and Private Enterprises are influenced from two main concepts:

1) The Bureaucratic Structure Approach: This is the concept on organization systemization with an essence on the association of the purview and the rules and regulation, which are to be in the same standard and format for the whole organization. There is the stipulation on the function and the work process. Every one in the organization would perceive his own position in the organization, as well as his function of work and duty.
2) Participative Structured Approach: This is the concept on organization systemization focusing on the participation, showing the horizontal systemization through the participation of various sections of the organization, internally and externally. Primarily, this is the stipulation on the work format that is independent from the regular unit, with a specific working function.

Generally, there are many formats that are mingled in the organization systemization, depending upon the policy and objective of the management or the proprietor. Whereby the systemization lays primarily on the function.

2.11.4 Organization Systemization

The organization structure management is composed of following aspects:

1) Departmentalization: Activities would be divided and coalesced through the Work Specialization, emphasizing on the similarity, to increase the efficiency and the quality of the work, and to facilitate the management of executives.

Chart 5 Management Structure Layout for Hotels in General
2. Designation of Authority: This refers to the right in taking decisions or making actions, then to give orders to subordinates. Whereby, the subordinate would comply that the person is in a superior position, and in the same operation line, having the authorization to give him orders. This would demonstrate who presides as the supervisor, and who should he direct.

3. Chain of Command: This is the organization systemizing through of the supervisory line in every level of the organization, through the vertical line, with
consecutive levels of authority from the highest level to the lower level of the organization.

4. Unity of Command: This refers to the authorization to only one person in the organization to get orders from his supervisor.

5. Scope of Control: This is the consideration for the number of subordinate under the surveillance of one supervisor, or the consideration on the number of subordinates who have to report to each supervisor.

6. Coordination of Work:
   - Pool Interdependence
   - Sequential Interdependence
   - Reciprocal Interdependence
2.11.5 The Work Allocation in the Hotel Operation

According to the size of hotels:

1) Small Size Hotels with guest rooms less than 100 rooms. The work would be allocated into the Room Department, the House-keeping Department and the Maintenance Department.

[Diagram: Management -> Room Department -> House-keeping Department -> Maintenance Department]

Chart 8 Showing the Administrative Structure for Small Size Hotels

2) Medium Size Hotels with guest rooms around 100-300 rooms. The work would be allocated into the Room Department, the Human Resource Department, The Accounting Department, the Marketing and Sales Department, the Engineering Department, the Purchasing Department, and Food & Beverage Department.

[Diagram: Management -> Front Service -> Room Department -> Food and Beverage Department, Engineering Department, Accounting Department]

Chart: 9 Showing the Administrative Structure for Medium Size Hotels
3) Large Size Hotels with guest rooms exceeding 300 rooms. The work would be allocated into the Convention, the Front Office, the Engineer, the Tower, the Human Resources, the Sales, the House-keeping, the Food & Beverage, the Auditing, and the Purchasing.

Chart 10    Showing the Administrative Structure for Large Size Hotels

According to the type of hotels:

1) Resorts: This type of hotel emphasizes mainly on the recreation. The function is divided into the Food & Beverage, the Front Office, the Recreation and Grounds, and the Support Division.
2) Cruiser: The objective of this type of hotel is to give entertainment, with services of accommodation and food on board, presided by the Captain. The work is mainly allocated under the superintendent of the Hotel Manager, the Staff Captain, and the Chief Engineer.

3) Casino Hotel: In this type of hotel, the gambling is legal. The function allocation is different to that of other types of hotel. There are the Games Department, the Keno Department, the Slot Department, the Security Department, the Food & Beverage, the Marketing, and the Hotel Department.
**Operation Structure**

The operation structure can be classified into two parts as follows:

1. Front part of the Hotel: This part gives direct services to guests. It is composed of the Front Office Department, Food and Beverage Department, House-keeping Department, and Security Department.

2. Rear part of the Hotel: This part backs up the operation of the front function; and is composed of the Personnel Department, the Marketing Department, and the Control Department.
2.11.6 Structure and Function of the Hotel Operation

Front Part

The Front Part is composed of

1) **Front Office Department (F/O):** Normally, hotels are comprised of five functions:
   1.1) Reception
   1.2) Front Hall Service
   1.3) Telephone Service
   1.4) Cashier
   1.5) Reservation
However at the present, enlarged hotels normally increased the hotel work. In this case, functions of the Front Office Department can be meticulously differentiated or upgraded individually. However, in the case of small size hotels, the Front Office Department may be abolished or dissolved into only one department, because of the small amount of work. This could also decrease expenses.

The Front Office Department is directly responsible in dealing with guests who accommodate in this hotel, right from the first welcoming, the reservation, and the room preparation for guests, including the various receptions and services while guests were staying within the hotel, until the time of checking out.

This Depart is significant to the hotel business operation in many points:

1. First Contact Point, which outsiders and guests of the hotel would encounter and react before all other departments.
2. Information Center
3. Nerve Center
4. Last Contact Point
5. Important Sales Point
Duty and Function of the Front Office Department

There are two main objectives, i.e. to follow-up on the Guest Cycle, and to coordinate to give all phases of services to clients, with inclusive duty on six following aspects:

1. The Up Selling for rooms of high prices.
2. Dissemination of Information
3. Coordinate Guest Services
4. Charting of Room Status Report or Room Status
5. Maintenance and Guest Account
6. Statement of Guest Account
7. Construct Guest History File.

2) Food and Beverage Department

Chart 16 Structure of the Food and Beverage Department
The main component can be divided into two big groups, i.e.

1. Supporting Group refers to the operation to support the qualitative and effective food and beverage services, being comprised of:
   - Cuisine or Production
   - Clear and Clean

2. Income Group
   - Coffee Shop
   - Restaurant
   - Beverage
   - Food and Beverage Services within Guest Rooms
   - Entertainment.

In the case of the large hotel, this would be the largest department in the hotel, and the dominant part for creating the best income for the hotel. However, in the case of small size hotels, most income would be derived from guest rooms.

The Duty and Responsibility of the Personnel in this Department

This is composed of four main duties, such as

1. Preparatory Work: This refers to the work of preparation on various statuses, including the service factor, for the readiness in serving guests. The primary preparation is the preparation of the table setting, including the service appliances to be executed according to the order of supervisors.

2. Guest Service: This is predominant in the Food and Beverage Department. Every personnel must attain an adequate knowledge on the food and beverage. The personnel must acquire a good personality, with cleanliness, and politeness with the hospitality and readiness in giving services.

3. Sales: The staff in this Department put an important role in creating the income for the hotel. It is necessary that they recommend or induce guests by presenting the suitable menu for the Food and Beverage, in order to increase the income for the hotel in the form of service charge which is the increase expense that guests have to pay over the food and
beverage. Every month, the income from the service charge would be shared proportionately among the staff.

4. Clear and Clean: In each day, the service personnel have to clear up all the dishes and appliances.

The Work Control within the Department

There are six main objectives:

1. To analyze the income and expenses in the operation.
2. To develop and to conserve the service standard.
3. To set up the price of the food and beverage.
4. To prevent the loss.
5. To prevent errors.
6. To deal with information.

3) House-Keeping Department

Chart 17 Structure of the House-keeping Department

The function in the House-keeping Department has a large working span, working under a close supervision, so that guests would get the best services, with safety and convenience for guests, as if they were in their own houses. The responsibility in the House-keeping Department includes the cleaning within guest rooms and the area within the hotel; the taking care of the safety pertaining to the accident that might occur, by abiding to the rules in order to create the safety from accidents, such as fire, electric shot, etc. The responsibility is allocated as follow:
3.1 Guest Rooms
3.2 Cloth Room and Personnel Uniform
3.3 Laundry
3.4 Flower Arrangement.

**Significance of the House-keeping Department**

1. Create an environment in the hotel for the preparation in welcoming guests. Whereby, a cozy atmosphere is to be created within the hotel, apart from the qualitative service. Hence, clients would be impressed with the infallible service, in every spot of the hotel. In this case, the guest rooms must be prepared to welcome and serve guests, in terms of cleanliness, beauty, convenience, and safety.

2. Assemblage of information on clients and the hotel. House-keeping personnel work closely with guests, and should be able to know whatever they like and dislike; including the things to be served and when. Their responsibility is for the preparation, the checking, and reporting to the relevant unit on the condition of appliances for guests which might be damaged, so that they would make amendments and repairs.

3. Maintain the hotel’s asset. For the hotel business with a high investment, all assets must be taken care of and kept in a good condition at all times. Every asset must be maintained to acquire highest benefit.

4) **Engineering Department**

![Chart 18 Structure of the Engineering Department](image-url)
The significant responsibility of the Engineering Department is at the rear part, focusing on the energy system and electricity system within the hotel. While the responsibility is allocated as follows:

- Water system within the Hotel (including the boiler system)
- Electricity System
- Carpenter and Painter (including locksmith and upholsterer)

**Duty and Responsibility**

The Engineering Department is responsible for the mechanics and maintenance. This unit is responsible for sustaining and assisting the functions of various departments who have assets to serve guests. Those assets must be maintained in a good condition, and be ready for work according to the duty of the particular asset, all the time. The type of maintenance is composed of: (1) Maintenance for Protection: This refers to the in-service of assets, and protecting it from any possible damage. (2) Maintenance for Repairs: This refers to the repairs to the jammed asset, or unable to operate the normal task. These assets must be prepared to the normal condition. (3) Maintenance for Amendment: This refers to the repair for amendment on the constantly jammed assets, so that their condition may be retrieved, or improved, through the repair on the damaged part. (4) The Maintenance to the Original Condition: This refers to the renovation through changes or remodeling or change according to the law.

5) Security Department

![Chart 19 Structure of the Security Department](image-url)
This department is responsible for the safety of guests, the hotel, and the hotel personnel, in order to protect the possible damage and accident.

Rear Part

The Rear Part is composed of:

1) The Personnel Department

![Chart 20 Structure of the Personnel Department](image)

This department is responsible on the hiring, and training the personnel; including the creation of good association between the personnel. It is also responsible in compiling various history and information of the staff in the hotel; making the manpower planning; taking care of the welfare, and give discipline punishment in the case of breach or malfeasance. This responsibility is composed of -

(1) Personnel
(2) Training
(3) Staff Welfare.

2) Marketing Department

This Department is responsible on the Marketing and Sales. It is to make contacts with tour offices pertaining to the retail tour and the group tour. It is also responsible on the sales promotion and hotel services through advertisement and publication. This Department composed of four functions i.e. (1) Sales Services on Tours and Traveling (2) Conference Sales Service (3) Sales (4) Advertisement and Publication.
3) Accounting Department

Chart 21 Structure of the Marketing Department

Chart 22 Structure of the Accounting Department
This department is responsible in preparing and recording every type of accounts, as well as the record of all assets of the hotel, including the accounts of every Department. Then it is to compile and the analysis of the hotel currency.

...........................