

Management of Quality Assurance in the Irish
Contract Catering Industry with specific reference
to selected business organisations.

Submitted by

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B.Sc., Dip. Htl. Mgmt. M.I.H.C.I.

in support of his candidature for

Master of Business Science

To

Dublin Business School

Dublin City University

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June 1991

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Introduction

Reference is repeatedly made in the media to consumer dissatisfaction with the Catering Industry. Consumer awareness and exposure to new and varied foods via foreign travel has raised expectations in relation to product quality and value for money. This has created a demand for standards to be raised and has caused Management to re-examine its strategy in relation to consumer satisfaction. Loss of customer confidence caused by a poor quality product has serious consequences for any enterprise. Industry today is finding that it costs five times more to create a new customer than to provide a system that reliably assures that each customer is satisfied.(1).

The trend towards contracting out non-core business activities is widespread in the U.S.A. and appears to be growing in Europe. It may be that Ireland as a small open Economy cannot afford to ignore this development.

The principal objectives of this dissertation are firstly, to examine the concepts of Quality and the Catering Product and secondly, to analyse the growth in contracting out non-core business activities with specific reference to Catering. Finally, the Quality of the Catering Services in selected organisations will be evaluated and compared. Organisations were selected on the basis that while their core activities are similar, the Catering is managed "in-house" in one firm and by Contract Caterers in the other. The results of this research should yield valuable information on how Quality is managed in the Contract Catering Industry and on the future of that Industry as a business option.

The Catering function was selected for the study as it is the area on which to date, very little has been written about in terms of Quality or Contracting out in an Irish context.

Chapter I

The Catering Product

1.1. Elements of the Catering Product:

In defining the Catering Product, many difficulties may arise. A Dictionary (2) definition of a Caterer and Catering is the "provision of food, entertainment etc". This is a very broad definition and indicates that many diverse elements and activities may be involved.

This definition indicates that food itself does not totally define the product as surroundings, atmosphere, service, image, value for money all contribute. In addition, the consumer interacts with the producer and his/her perceptions of the product are also a factor.

Kotler (3) defines a product as "anything" that can be offered to a market for "attention, acquisition, use or consumption". This definition includes physical objects, services, personalities, places, organisations and ideas. He also refers to alternative product definitions as "offerings", "value package" or "benefit bundle". He emphasises the concept of a customer deriving and seeking benefits and value from any product consumed. In addition, Kotler (4) indicates that these concepts or benefits and value may mean that while competing products of various organisations may be physically identical (offer the same core benefit) one may be more successful than another due to some additional factor or perceived value.

Jones (5) broadly agrees with Kotler and states that to an increasing extent, goods and services are no longer demanded separately but are bundled together as part of a 'Product Package'.

Chisnall (6) supports the view that looking at a product as having more than the physical benefits inherent in its use allows for the development of added value or "package deals". The first requirement is to establish what it is that the customer is buying when he/she enters a Restaurant or Catering Operation.

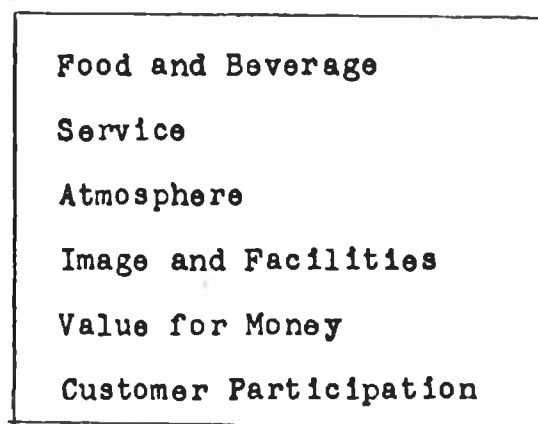


Figure (1) The Catering Product:

The Catering Product may be considered to consist of six basic elements.

These elements are a blend of Physical Products and Services. Consumers do not perceive the tangible and intangible elements of the totality, they perceive them as a unified whole, i.e. "The Meal Experience" (7). Renaghan (8) refers to this complex inter-relationship between the tangibles of Food and Beverage and the intangibles of services and atmosphere as the "Presentation Mix" encompassing all of the elements that are under the operator's control and act together to make the total product as perceived by the customer.

Although the tangible aspects of the Catering Product (food and beverage) are most apposite to the Food Processing Industry, as an example, considerable resistance has been encountered in incorporating concepts and systems to the Restaurant area, one of the arguments being that the components cannot be separated from the whole. In terms of the concept of service, quality is ill-defined and often ignored. This may be due to the close interaction of a variety of diverse skills, facilities and personal interactions.

In the final analysis, it is the customers' perception, as stated by Jones (9) of the quality of the restaurant product that is synergistic involving the whole rather than the sum of its constituent parts.

1.2. Food and Beverage - The "Core" of the "Meal Experience"

Graham Campbell Smith (10) lists 43 different reasons why people may choose to eat out. This may help explain why there is such a wide variety of dining out Establishments available to the public. The main reasons for dining out may be summarised under the following seven basic headings:

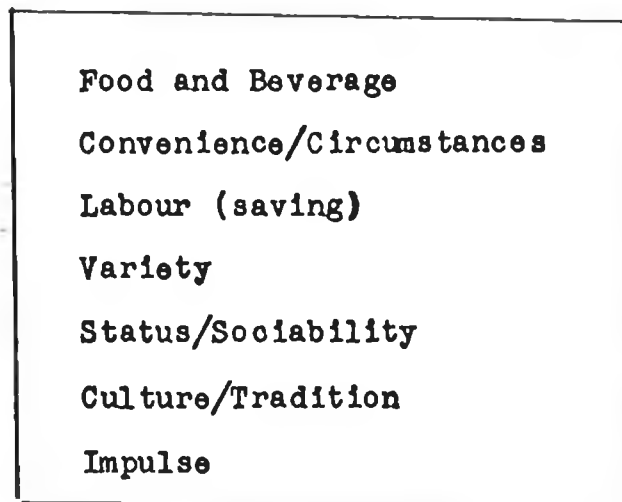


Figure (2) Reasons for Dining out.

The most important point in the above list is that people do not eat out for the food aspect alone. Customers may eat out, not only to satisfy hunger but to satisfy other needs, such as social contact, status and curiosity. This can be illustrated by the fact that in recent years in the areas of international politics and business affairs, the media has reported the growing concepts of the "Working Lunch" and the "Working Breakfast".

After reading the above, one may begin to believe that food is not a very important part of dining out but food is at the core of the meal experience (in that it must be provided if a dining experience is to take place) - and in addition, every diner is an expert in that they know what they like and expect to be served it. The diner has at least, partly chosen the Restaurant on the basis of the type of food served and will select from the menu, those dishes that most appeal.

All the various sensory impressions or sensations such as aroma, odour, taste, texture, appearance, temperature and variety complete the gastronomic experience. The successful Caterer is the one who ensures that these are all as the customer expects them to be.

1.3. Defining service in the Catering context:

The most difficult labour problems of the Catering Industry may be due to the involvement of contact staff (Waiters/ Waitresses) in serving food and specifically their role in creating desirable social interactions. These problems may derive from the kind of service that is required in Restaurants and the particular kind of work needed to make the customer feel 'at home'.

In addition, people who serve food, carry plates and clear left-overs are not from the point of view of social hierarchy, generally held in high regard in our culture (11). This low status may make service performance and management difficult and delicate.

It may be claimed that there are broadly two conceptual approaches to the service of the catering product. The first approach is the traditional one. This concept evokes images of personal attendance and the performance of acts personally for another. It has connotations of obedience and subordination. Although society has changed to a more egalitarian approach, the rigid performance of rules and rituals have come to be seen as a standard of excellence in themselves, rather than the needs and wants of the customer. This is well illustrated by Levitt (12) as the "paralysing legacy" of our inherited attitudes. He suggests that the solution to improving service performances has been measured as being dependant on improvement in the skills and attitudes of the performers of the service, rather than an indepth analysis of the service task itself. This he further states obstructs us from considering what the concept of service should be in this modern age.

The second approach can be summarised as a development of Levitt's ideas. It is the "provision of a service", i.e. a Production line approach, that is satisfying of customers desires by concentrating on the tasks to be performed, rather than the performance of the task. This concept has led to the development and increased use of self-service systems

of food delivery. Manufacturing industries realised many years ago, that movement of men and materials of production is costly; hence the development of assembly line concepts. Self-service is similar to assembly line with the guest moving along the line and his/her order being "assembled" by the Catering staff. It has been argued by Merricks and Jones (13) that this may be, in terms of quality control, higher up the evolutionary ladder of quality than "Silver service" style Restaurants, because the consumer can inspect and select from a wide range of food items on visual display. The Cert Report (14) also indicates that many Catering Managers felt that "service" can be improved by moving to self-service type operations.

A further 'incentive' in the move towards "self-service" operations is the high level of wages and salaries as a percentage of the total business overhead, viz-a-viz, manufacturing industries (15). By changing from the more traditional "table service", fewer staff need be employed thus increasing the potential for cost savings (16). The major problem with the above approaches may be that because they are in the main production led, they may ignore the needs and wants of certain market segments. It may be that "self-service" operations regardless of the style, i.e. Carvery, Buffet, Salad Bar, may be unacceptable in some circumstances and to certain Market segments. Powers (17) in his work on the future of the Catering Industry indicated clearly that there will be a future for "table service" type operations despite the growth of informal self-service types.

Writing on "Service encounters" Hochschild (18) indicates clearly, the importance of the worker (waiter) communicating a good feeling about the purchase to the customer. This indicates that sociability may be a vital aspect of "service" and "customer interaction" regardless of whether the service is in the style of the traditional 'Table service' or the more modern 'self-service'.

In addition, the relationship of the Restaurant Waiter/ Waitress to social subservience is complicated. For example, in some operations the purchase of a meal carries with it, the right to command a waiter who models his behaviour on a Victorian servant - attentive, invisible and silent. In others, there is almost social equality between server and customer. In fast food chain restaurants, the server is almost invisible as a personality - succumbed in the organisation's image. In some 'socially in' restaurants, a reversal of social roles may be observed, placing the customer beneath the server and the customer is treated accordingly. Regardless of class implications of service, it may be argued that the skills required of service personnel go beyond the physical ability to carve a joint or the intellectual ability to operate a computerised Cash Billing Machine. In all segments of the Catering Industry, food needs to be served at the proper social temperature. There is a need for attention to be paid to supporting the social interactions of service as much as the tangible production areas.

It may be concluded that a major response by the Catering Industry to the 'problems' of Service has been to re-define it in "production terms" and to switch away from the high customer contact of the traditional service approach and to rely instead on self-service concepts of food delivery.

This approach, however, ignores the requirements of the "Table Service" market and recent research in the U.S.A.(19) and Ireland (20) clearly indicates that the "service" element of the Catering Product, regardless of type or style, is very high on the list of criticisms. These complaints would appear to raise questions about the ability of the Irish Catering Industry to correctly identify customer needs in the service area and to provide a satisfactory product on a regular basis.

1.4. Atmosphere, Image and Facilities.

Atmosphere is one of the intangible elements of the Catering Product. It may be closely linked to the image and level of facilities offered. Surveys on why people choose the restaurants that they do, consistently list atmosphere as an important consideration (21). This has been found to be particularly important in speciality type restaurants but less so in the case of "fast food" outlets. The problem arises in defining what exactly atmosphere is and why it may vary from place to place and even within the same establishment. This may be because so many factors contribute to atmosphere creation and many of these may be received by the customer on a sub-conscious level. In addition, Newell (22) states that

atmosphere is "ethereal, evasive and indeterminate". The response of the individual to atmosphere is personal and the individual's reaction to any combination of atmosphere influencing factors can only be determined or controlled by rudimentary principles. An example of this is the fact that a restaurant should not only be clean (Health Safety) but appear clean. The creation of atmosphere may be considered to consist of seven basic elements.

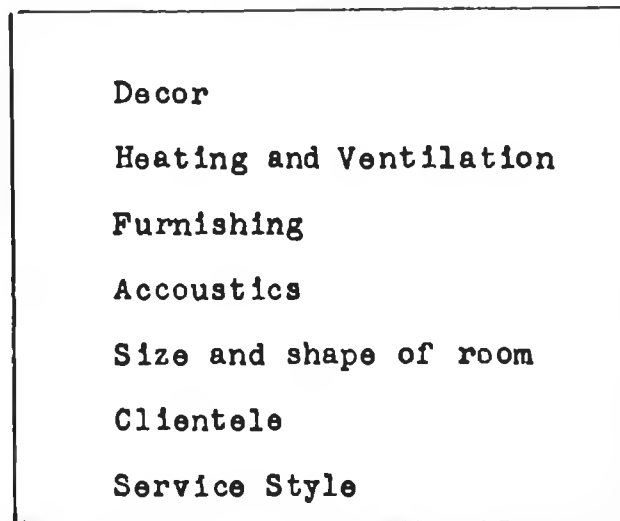


Figure (3) Elements of Atmosphere Creation.

These elements have both tangible and intangible aspects and inter-relate together to form what is commonly perceived as "atmosphere". As atmosphere may be difficult to define, each element merits discussion.

Decor:

The problem is essentially a paradox in that the customer needs to feel 'at home' in their surroundings without feeling that they are at home. Therefore, Restaurant must be different without undermining the customers sense of security. The decor should help the customer feel relaxed and satisfied

rather than tense and anxious. Aspects of decor that need careful consideration are colours, textures, shapes, materials, finishings and contrasts. Lighting in particular, should be determined in conjunction with decor. In the same way that colours can affect moods, light levels can also. Bright lighting can promote sociability while dim lighting can increase senses of relaxation. Lighting also affects colour and if not properly chosen, may have an adverse effect on the appearance of food.

A final point is, that decor as part of atmosphere is an integral part of the Catering Product and must reflect on meal experience offered to the customer. This means that in the "high-spend-per-head, low table turnover market", customers will expect plush luxurious surroundings, whereas those demanding a quick cheap meal may accept functional rather than decorative decor.

Heating and Ventilation:

Restaurants are often busy places with much customer and staff movement. This may make it difficult to maintain constant temperatures. In addition, the proximity of the production area (kitchen) to the diningroom may give rise to cooking smells which may stimulate the appetite or may be off-putting.

There are two aspects to heating a diningroom - actual temperature and psychological. The decor in terms of the level of illumination and colour scheme can affect the customers perception of warmth. In addition, such features as air-curtains at entrances, and "mock" fire places can create feelings of warmth. The most pleasant temperature for people sitting down is 18°C (65°F). As the number of people in a room affect the level of heat, it is important to thermostatically control the heat where possible. Also, it is worth noting that no one likes to sit in a draught near doors or windows. These can be avoided by design features such as double doors, screens and double glazing.

It is important that the air in the room is circulating and moving, to remove unwanted smells and help maintain ambient temperatures. This must be done in a controlled way by use of extractors and fans. It is of interest to note that there is a great deal of debate as to whether the flambé cooking of food in the room, while it may look spectacular and act as part of the merchandising approach, may also produce off-putting smells for some, and undo the value of the act in the first place.

Furnishing:

In a similar manner to "decor"; the furnishing must reflect the customers perceived concepts about the meal experience being offered. This has implications for the kind, style and finish of tables, chairs, sideboards and any other items such as "conversation pieces" which form the furnishings of

a room. Furthermore, there are the functional aspects which are dependant on the comfort, convenience and length of time the customer spends in the room. An example is the number of "covers" (places) that are accommodated in a given size room which in turn, influences the customers sense of security and intimacy and is linked to the profitability of the enterprise.

Accoustics:

Age group rather than any other socio-economic factor may be the deciding factor with regard to levels of acceptable noise. Young people tend to be both able and willing to accept high levels. Noise has three sources, voices, operational and "music". The more people in the room, the more noise there is and as a general rule, customers can hardly be requested to talk more quietly. Therefore, it is the operational and music levels that are controlled to give the correct atmosphere.

Eating and serving of food can be noisy, with the clatter of crockery and cutlery and movement of servers. Jones (23) has noted that the customer does not wish to be aware of operational noise. Therefore, insulation becomes very important. Carpets and curtains may help to reduce noise as will partitions, glazing and the use of sound absorption materials on walls and ceilings.

Music has a direct and strong effect on the customers mood (24). It can be used to speed up the flow of work or create a relaxing pleasant atmosphere. It may help re-inforce the image of a restaurant by playing the appropriate music, i.e. Rock music in the Hard Rock Cafes.

The important point to note is that music has a strong effect on people's mood and needs careful consideration, if the sought for "atmosphere" is to be created.

Shape and Size of Room:

This element affects the atmosphere of a Dining room by creating feelings of cosy intimacy or spaciousness. As previously discussed, the use of colour, lighting and furnishings affect peoples' reaction to the Dining area. However, unless the Restaurant is purpose built, it may be necessary to alter the shape of the room in some way to help create the desired effect. It may be necessary to lower/raise the ceiling (either physically, or by appearance using interior design) or if the room is long and narrow, to "widen" it by the use of mirrors. Similarly, balconies and raised terraces are sometimes built to create the desired effect.

Clientele:

Customers' enjoyment of a Restaurant is affected by other customers in the room. Increasingly, where Restaurants are acquiring such tags as "fashionable", "entertaining", "the in-place", as can be noted in the fasion and gossip columns of the National Newspapers and Magazines, the clientele is becoming an important part of the atmosphere creation. It is a factor over which the Caterer has little control. In general terms customers will feel at home and re-assured if the other customers are of similar age, clothing style and behave in a similar manner. The only control the Caterer has is through pricing policies and outright refusal.

Service Styles:

It can be argued that there are two basic food service types. They are "Self Service" and "Table Service". However, there are many different styles. Lilliorap and Cousins (25) identify twenty six. They are all concerned with establishing contact between the customer and the product. Service type and style has implications for such diverse aspects as the appearance and furnishings of the restaurant, the type and style of cutlery, crockery and table settings and equally important the appearance, skill level and manner of the staff. In addition, there must be "congruancy", i.e. one would not normally expect to find linen table cloths and solid silver settings in a transport Cafe. The effect that service type and style has on atmosphere can be linked to customers expectations. As Davidow and Uttal (26) have noted, service expectations are highly personal and various socio-economic groupings are likely to give different priorities to certain needs and to select a Restaurant on that basis.

In summary, atmosphere, image and facilities may be said to embrace decor, heating and ventilation, furnishing, accoustics, size and shape of room, clientele and service style. The customer does not view these individually but rather as a totality. In addition, the response of the individual is personal and subjective.

The importance of atmosphere in a commercial enterprise can be gleaned from such business success as O'Dwyer's Bar and Restaurant (Mount Street) which has partly, as a result of a major refurbishment program, increased business and won major awards for food excellence, the most important of which may be the Bord Failte Award of Pub of the Year.

1.5. Value for Money:

The concept of value for money relates to the total 'Meal Experience' provided by the Caterer. Regardless, of Socio-Economic grouping, a customer has certain expectations for dining in any given Restaurant environment. He/she may attach different weightings to each element of the catering product. For some market segments, this may mean large portion sizes and prices that are at the low end of the general dining out scale while for others, such elements as service style and image may be more important.

It may be as Mars and Nicod (27) have observed, that the true measure of value for money is serendipitious, that is the customer receives a better package of benefits than he/she might normally expect.

1.6. Customer Participation:

Going out for a meal has often been compared to attending a Play at a Theatre. One is attending at a Performance. In addition, one can only express degrees of satisfaction/dissatisfaction after the Performance is over. This may help indicate why Food Guides and the Dining out columns of National and local newspapers have become so important. The public may be looking for "clues" as to the likely outcome of attending at a given Establishment. However, the major difference between a Restaurant and a Theatre may be the fact that, in a Dining Room, the guest is part of the actual performance. His/her comments or actions can affect the total produce offering.

This has implications for the marketing and operational strategies of the business. In terms of Marketing, certain expectations may have been created that operational performance does not meet. In addition, there is the concept of "customisation" whereby the customer may, for example, seek a meal at variance with the menu offering. This may make standardised quality control difficult to achieve.

Nailor (28) in stating that the customer is part of the Catering Product points out that this can produce an element of incontrollability and ambiguity of authority in Customer/Staff relationships.

The customer in patronising a Restaurant is participating in a social interaction. The regular customers may be said to constitute a family or club. The foundation of this respect for the customer is, however, based on financial transactions. There is daily, greater suspension of belief when entering Restaurants than can ever be found in a science fiction novel. The customer would like to believe he is welcome for his personal qualities. However, if the bill is not paid, he/she is no longer welcome. The customer knows this even though he may like to believe otherwise. The exchange of cash subjects the customer to a complex array of psychological and social messages. Furthermore, there is a need to recognise the psychological pressures which relate to interpersonal relationships between, for example, Chef/Waiter, Chef/Manager and Client/Manager. Directly related to these psychological pressures

is the element of time. Time is a vital element of product quality as food quality can deteriorate rapidly if not served within a relatively short time period.

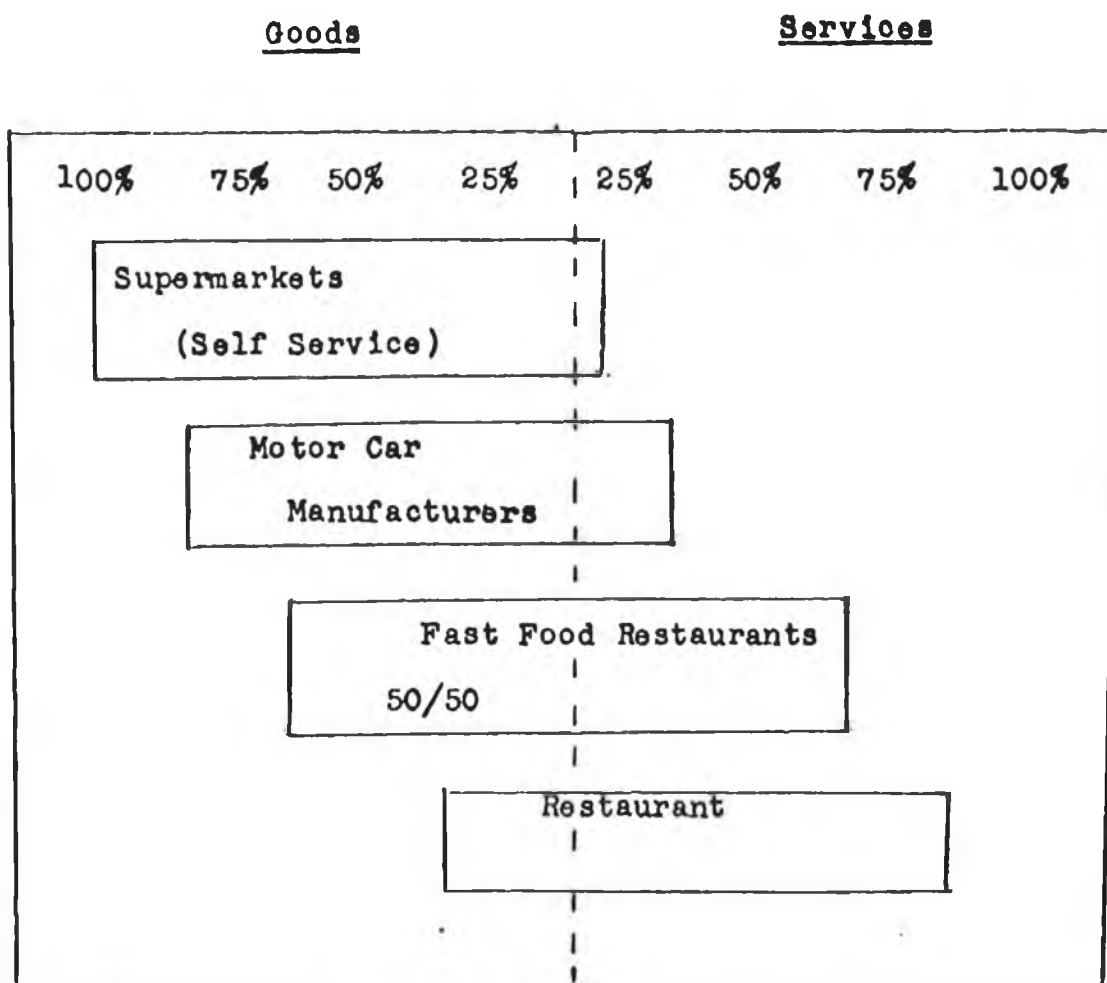
1.7. Comparing the Catering 'Product' with other Industry/Products.

There is considerable debate, not only in the Catering Industry, but in many different Industries, such as Motor Car Manufacturing and Retail Outlets as to what constitutes a Service Industry.

Buffa (29) considers that a Service Industry has a special characteristic arising from the 'non-intentional' nature of the output. Therefore, they are fully exposed to variable demand, tend to have labour intensive operations and require operational location contiguous with their location. Wild (30) distinguishes four basic operating systems on the basis of 'the purpose it serves for the customer'. They are:

- (1) Manufacture involves a change in the form of the goods.
- (2) Transport involves a change in the place utility of goods or people.
- (3) Supply involves a change in the possession utility of goods.
- (4) Service involves a change in the state utility of goods or people.

The Catering Industry impinges on several of these areas. Sasser Olsen and Wyckoff (31) contend that all products are a combination of goods and services. They attempt a distinction based on evaluation of "the relative importance of the goods and service content of a purchase determining what percentage of the purchase price is the factory cost of the facilitating goods in our bundle". Their abridged findings are illustrated in Figure 3. (See overleaf)



(Figure 4). A Comparison of Various goods and services packages.

One may be inclined to question the basis of the findings, e.g. traditional restaurants exert more time, effort and money on goods transformations (form transformations) than Fast Food outlets where much of the form transformation is completed prior to purchase (of 'raw materials'). Fitzsimons and Sullivan (32) focus on the distinctive characteristics of service Operations which they present, as follows:

- Consumer a participant in the Service process
- Production and Consumption occur simultaneously
- Time Perishable capacity
- Site selection dictated by Consumer location -
- Economics of Scale limited - Control of decentralised operations necessary.
- Labour intensiveness
- Intangibility
- Difficulty in measuring output

Chase and Aquilano (33) consider service operations to involve 'high contact' and 'low contact' systems with implications for facility location, layout, product design, process design, scheduling, production planning, worker skills, quality control, time standards, wage payment, capacity planning and forecasting. Such a distinction may allow consideration of some aspects of service as 'low contact' and hence open to 'Manufacturing' and 'Production line' approaches and others as 'high contact' and therefore less open to such approaches. Nailor (34) renumerates 17 characteristics which can be identified with a Service Industry. He adds that while not in themselves unique, their combination in the Service Industry is. They include such items as:

The satisfaction of not only basic requirements (food and drink) but also complex psychological ones (identity, status, security); immediacy of customers' needs; the customer is part of the product and this introduces an element of uncontrollability and ambiguity of authority in Customer/Staff relationships; irregular workflow; unsociable hours. Many aspects are not directly comparable with manufacturing situations.

Zeithaml et al (35) in a major survey of Service Industries consider "service" to have four distinct characteristics.

- (1) Intangibility of Service: Service is a performance, not an object.
- (2) Inseparability of: simultaneous production and consumption for most services.
- (3) Heterogeneity: variability in Service Performance.
- (4) Perishability: Services cannot be saved.

The Catering Industry embraces all of these areas. The fact that "service" cannot be stored (e.g. an unsold seat in a restaurant) unlike a tangible manufactured item and the fact that service cannot be experienced until it is consumed, are the two outstanding features which may distinguish a service industry from a manufacturing one to some degree.

Lovelock (36) considers the classification of service operations using a framework of five variables

- What is the nature of the Service Act?
- Relationships with customers
- Amount of customisation and judgment in Service delivery.
- The nature of demand for the service relative to supply.
- Method of Service delivery.

While no firm conclusions are reached, Lovelock considers catering to be focused on people, in a discreet manner, with no formal relationships required. He sees little room for customer control over the product. While this may certainly be true in a fast food restaurant (and Lovelock notes this) it can be argued that in the upper range of restaurant that

a customer has a great deal more freedom of expression, that those executing the service also have a high level of discretion. Yet Lovelock states that "good restaurant" customer-contact-personnel have less judgment discretion than for example, a taxi driver or a plumber.

Romm (37) considers the Catering Industry to make unique demands on both customers and staff, because, the customer in patronising a Restaurant is satisfying, not only a physical hunger but a hunger for messages of belonging that may not be available elsewhere in society.

There is a high elasticity of demand for the catering product as far as economic conditions and purchasing power are concerned. For example, a restaurant meal is not yet considered a life necessity and the law of substitution plays an important role.

The case of duplicating services allows competitors to copy a service faster than they would a manufacturing product because there are few barriers to market entry. This has implications for marketing differentiation and product development.

There is rigidity of capacity that is unique to all Service Industries. This applies especially to restaurants. Capacity is rigid and it is unable to adjust sufficiently quickly to equate supply with demand. As a result, in the industry as a whole, a series of under-utilisation or scarcity of capacity exists.

Hygiene and cleanliness are important in all Industries, particularly at customer contact level. However, in the Catering Industry, hygiene is important not only as part of the image, but at every step of the production and service, in order to avoid food contamination. For example, in Motor Car manufacture assembly, line operatives may not necessarily require a high level of personal cleanliness but for kitchen/restaurant personnel, this is essential.

It can be seen, therefore, that there is a wide variety of views on what constitutes a Service Industry, and what differences may exist between the various industries in the traditional service section. There is, however, a growing view that most industries are to some extent involved in the provision of some type of "services" to customers, e.g. Car Manufacturers, Household Appliance Companies, Cosmetic Companies. The difference in service offered may be one of degree rather than concept.

All sell both tangible (physical item) goods and intangibles, such as Service (e.g. 'after Sales Service'). Each individual industry has a particular set of problems which, while they may not be unique in themselves, when associated with its product, are. With Motor Manufacturers, it may be the comparably high price of initial product to the customer, the huge capital investments in R. & D. and unforeseeable Government legislation which may effect the design, manufacture and specifications of the product at very short notice. In Catering, the fact that the customers' perceptions form part of his/her judgment of the meal experience and because the Catering Product may be satisfying, not only physical hunger but also psychological needs, may make the Industry somewhat unique.

1.8. SUMMARY AND CONCLUSIONS:

The Catering Product consists of the tangible components of Food and Beverage and the intangibles, such as service, atmosphere, image, value-for-money and customer participation. In addition, there are operational factors of perishability, 'performance variation', rigid capacity and the inseparability of the often simultaneous production and consumption process.

Consumption of the product is affected by many influences, which may as Chisnall (36) states, be "rational" and easily understood or "irrational" and open to wider interpretation. However, in the final analysis, it is the customer's subjective perception of the quality of the total product or "package deal" that is synergistic, involving the whole, rather than the sum of its constituent parts.

A comparison of the Catering Product with other Industry products indicates that Manufacturing and Service Industries are not always mutually exclusive, but are in many cases, closely inter-related. The uniqueness of the Catering Product may derive from the combination of characteristics rather than any individual aspect of the characteristic themselves. This combination may require special recognition of the psychological pressures of inter-personal relationships between staff, management and the customer, which may have a considerable bearing on the customer's perception of the product. Two critical factors related to this are the time element as product quality can deteriorate rapidly, if performance does not occur within a relatively short time period and finance, as the foundation of customer respect is based on financial transactions.

CHAPTER 2

QUALITY

2.1. Quality and the Catering Product.

The attention of most researchers and practitioners has focussed on the food production aspects of the Catering Industry as this is the area most readily identifiable and easiest to control. As has been established in Chapter I, the product does not consist of tangible elements only, therefore, the provision of a quality system must encompass more than the specific criteria of food production. Gummesson (39) argues that the same attention must be given to the design of the service element of a product as is currently given to the production elements.

Quality is based on the consumer's perception of the total meal experience. Customers perceptions are very difficult to measure/satisfy and attempts to deal with these, have in the past, been based in the behavioural, rather than natural sciences. It is important, however, to note that technical controls may be applied over service attributes, just as behavioural evaluation can be applied to food and drink.

Nightingale (40) argues that customers have their own set of "consumer quality standards" derived from previous dining experiences and that Catering Management is based on reconciling consumer quality standards with the Organisation's objectives. By balancing the two perspectives, a service system that satisfies customers

may be built. This also has implications for the "level" of quality offered. Caterers no longer need to provide the "best" but the best that the consumer's money can buy.

Kaspar (41) agrees with the concept of quality having different levels and being subjective in nature. He also notes that certain quality requirements may change over time and that a Hotel or Catering organisation must be prepared to adapt to new standards if it is to remain successful. Kaspar's basic argument is that Quality is market led.

Snyder (42) emphasises the total satisfaction of the consumer with both the tangible and intangible aspects. One aspect of customer satisfaction is that the customer expects the food to be safe and "wholesome". The customer judges this on such quality attributes as cleanliness of Restaurant and surroundings, personnel and his/her sensory perception of the food. Snyder defines quality assurance as 100% reliability in meeting customer satisfaction as a function of employees receiving adequate training in respect of his/her duties, and Management providing a system of planning, organising, directing and controlling, that gradually eliminates operational errors and problems. However, this definition appears inadequate as it is impossible to attain 100% reliability for a variety of reasons. He also states that most quality control literature indicates that 80% of all quality control problems are normally caused by inappropriate Management systems and not by employees.

This view is also supported by Deming (43) who claims that 94% of quality failures have a common cause, the system, i.e. Management. In assessing consumer satisfaction in restaurants, the following three criteria merit consideration:

1. Availability: The restaurant must be open at the right times and in the right location. To this may be added, the "right" menu and the ability to have all food items available when required.
2. Grade: Consumers compare every experience or potential experience. They evaluate situations and create expectations with regard to the "grade" of experience they wish to experience.
3. Conformity: As well as expectations of the level or grade of product they will receive, consumers expect conformity. If for some reason, the experience does not meet these expectations, the operation will be graded down, or if the experience exceeds expectations, then it will be graded up.

It may therefore, be argued that successful quality Management is concerned with identifying the grade of quality required, ensuring that the operation conforms with this grade, and operating the restaurant at a time and place that makes it available to the consumer. Merrick and Jones (44) consider that Catering Quality Management is divided into two parts: "Quality Assurance" which they view as pre-operational and designed to prevent poor performance

and "Quality Control" as operational and applied to the various elements of the Catering Product. This may be too mechanistic a view and may ignore the wider concepts and implications of the totality of quality in a service based industry.

Juran (45) defines Quality Control as the regulatory process through which we evaluate actual quality performance; compare it with standards (goals) and act on the difference. Quality and quality control are therefore, concerned with the quality level as established in product designs and is uniformity of quality standards. Juran (46) also labels the Management of quality as the "Quality Trilogy" with three inter-related elements of Planning, Control and Improvement.

It is therefore, of the essence, that quality should be planned for, at all stages of the "Catering Chain"; i.e. the total food production and service delivery system and not left to the customer to be quality control examiner.

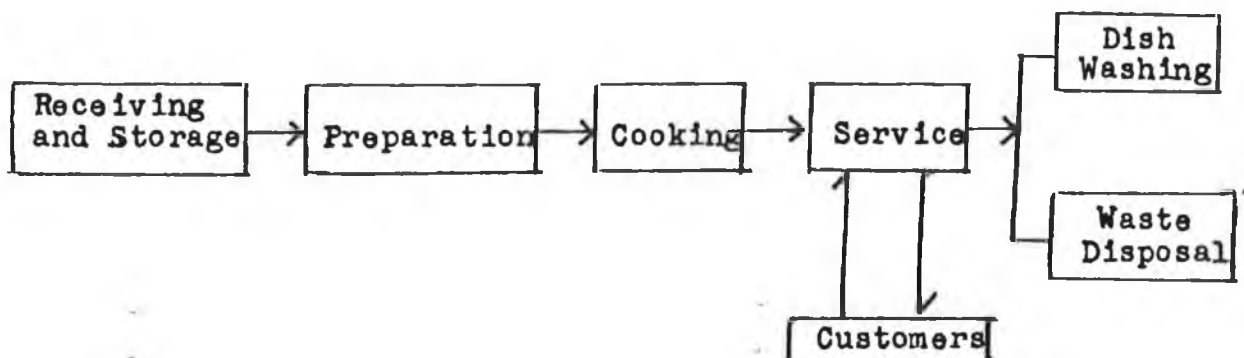


Figure (5) The "Catering Chain"

One of the first attempts to review a Catering System was the Platt and Eddy Report (47). This report dealt with 152 hospitals in England and Wales. Its main conclusions were that the best food and service with the greatest attention to patients' needs were given in small hospitals, i.e. those with fewer than 60 beds. The larger the hospital, the lower the efficiency of administration and quality of food served.

The response to this report was for researchers to seek a new approach and new solutions for traditional Catering problems. In conjunction with this the University of Leeds Engineers began to develop the techniques of Cook-Freeze. This led directly to the introduction of the Cook-Freeze system at the Women's Hospital in Leeds, England. The system was successful and was later extended to the school meal service in Leeds and later again, the University of Leeds. The system is now in widespread use throughout the Industry and has led to further developments such as cook-chill. Figure (5) indicates the varied Catering Systems now in general use. It is not an exhaustive list.

Catering System		Process
Traditional	Cook	Serve
Cook-Freeze	Cook....Freeze (-18C)	Recon- -stitute...Serve
Cook-Chill	Cook....Chill (to 3 C)	Recon- -stitute...Serve
Convenience	Purchase - Store	Recon- -stitute...Serve
Vending	Purchase - Store	Vend

Figure (6) Catering Systems Process Chart.

2.2. The Problem of "immediacy"

Catering has a problem of "immediacy", i.e. the comparatively short time period between completion of a finalised food item and its actual consumption. This often makes it impractical to reject a finished food item prior to service. An example will illustrate:

The kitchen supervisor is offered a "well done" steak by kitchen staff to be served immediately in the restaurant that contains more than the agreed standard amount of fat and sinew. He/she must immediately consider the following options.

- (1) Serve the steak and hope the customer does not notice. This is very foolhardy as while the customer may not complain, he/she almost always notices. Result: a disappointed customer.
- (2) Via the Waiter, offer to cook an additional piece of meat. This may satisfy the customer but adds to production costs. Result: Higher product costs and the possibility of a disappointed customer.
- (3) Reject it. Customer asked either to wait a further 15/20 minutes for a new steak or is offered an alternative that is quicker to prepare (i.e. a salad). Result: a very disappointed customer and increased product costs involved in offering an alternative.

It can be seen from the above example the difficulty of devising a quality system that takes account of all stages of production and does not rely on the customer to be the quality controller.

2.3. Technical interpretations of Quality:

Technologists refer to quality as an index or measurement obtained by grading or classifying in accordance with explicit pre-determined specifications. These specifications are laid down by recognised bodies, such as the Dept. of Agriculture, Trade Associations, Statutory Bodies and in many cases, by a Firm's own Quality Department. Quality from a scientific viewpoint can be defined as an orderly classification of a Product's chemical, physical and micro-biological characteristics. Flavour, texture, appearance, consistency, palatability, nutritional value, toxidity, safety, ease of handling, convenience, storage, shelf-life and packaging are essential elements, that must be evaluated, establishing a product's quality. However, this list is not exhaustive. Juran (48) states that there are two dominant factors in the evaluation of quality.

- (1) The actual chemical or physical measurements of the product.
- (2) Acceptance of the product by consumers based on whether it fulfils their needs and wants with complete satisfaction, i.e. its fitness for use.

Harris (49) defines quality as having three distinct features.

- (1) Degree of Prestige: The product must offer a level of quality commensurate with the price charged.
- (2) Fitness for Purpose: The Product must meet customers' expectations.
- (3) Customer Satisfaction: The ultimate measure of Quality is the level of customer satisfaction.

The British Standards Institute (1972) give the following definitions:

Quality: The totality of features or characteristics of a Product that impinge on its ability to satisfy a given need.

Quality Control: A system for programming and co-ordinating the efforts of various groups within an organisation to maintain and improve quality on an economic level which allows for customer satisfaction.

Quality Assurance: All activities and functions concerned with the attainment of Quality.

The above definitions indicate that Quality is primarily concerned with satisfying consumers given needs. It is an integral part of any product with major implications for its marketing.

Quality assurance may be regarded as a philosophic as well as a practical approach to guaranteeing the attainment and maintenance of that quality level to satisfy the given needs of the customer.

Quality Control is the mechanism(s) and control(s) used to deliver the required quality and is a subset and integral part of Quality assurance.

2.4. Food Quality:

While food alone does not define the meal experience, nonetheless, it may be argued (Chapter II) that it is the "core" characteristic of dining out as food must be served if a meal experience is to take place.

There are many factors responsible for poor quality food. Most of these can be traced to faulty handling, poor sanitation, malfunctioning equipment, incorrect preparation and even carelessness, brought about by lack of training, motivation and control.

A Catering establishment, regardless of size is a complex manufacturing centre. From the time the food is delivered until it is served, a multiplicity of steps and handling operations are involved. The kitchen preparation areas can be compared to a highly organised food processing plant. According to Thorner and Manning (50), the following are prime factors responsible for significant food quality changes.

- Spoilage due to microbiological biochemical and physical or chemical factors.
- Adverse or incompatible water conditions.
- Poor sanitation and ineffective warehousing (i.e. storage)
- Improper and incorrect pre-cooking, cooking and post-cooking methods.
- Incorrect temperatures.
- Incorrect timing.
- Wrong formulations, stemming from incorrect weight of food or its components.
- Poor machine maintenance programme
- Presence of vermin and pesticides.
- Poor packaging.

Any of these factors, either singly or in combination, will contribute to poor quality food and effect changes that will be evident in the flavour, texture, appearance and consistency.

2.5. Consumers interpretation of Quality:

The average consumer associates quality with personal preferences, i.e. something is liked, disliked, excellent or poor. Scales (Likert, Kellys) are available which can grade these degrees of likes and dislikes. However, all of these descriptions are both subjective and abstract and do not produce concrete evidence about the degree of quality from the viewpoint of actual grade. Many factors influence the client's decision, e.g. locality (availability), habits, advertising, sales promotion, price and peer pressure. Mars and Nicod (51) when discussing the quality of service (a component part of the "product") define quality as referring to the total actions and physical features beyond a minimum. They define quality in this instance as a customer receiving more than he/she might normally expect. They perceive quality in service as being serendipitious and linked to the customers 'expectations'.

In addition to these factors, positive sensory stimulation plays an important role in establishing quality perception. These include an appealing flavour, mouth feel and texture, an attractive colour and appearance ('eye appeal'), general palatability, product consistency

and increasingly, in our health conscious world, the nutritional value of the food. Additional factors that determine customer quality preferences are the ambiance or the 'character' of the restaurant, the type and efficiency of the service, the variety of facilities and the cleanliness. These contribute to 'mood appeal' and have a strong effect on the consumers final determination of quality. As stated in Chapter I, ("The Catering Product"), the client perceives the catering product, with its tangible and intangible elements as a unified whole. It is the customer's perception of their presentation that forms his/her judgment as to their quality. This perception may be influenced by previous experience of the product and the level of conformity of the current experience.

Therefore, it can be said that quality is a measurement of the degree to which the product meets the expectations of the customers.

2.6. Quality Costs:

The concept of Quality costs is in essence, a way of presenting all the costs relating to quality, wherever incurred, in one single set of figures, thus enabling them to be placed in the overall financial context. It creates a new cost-centre, the cost of quality - into which is put the disparate elements that have gone to producing the quality of the product.

It is vital that, strategically, quality levels have been created that match consumers expectations and needs. If this is accepted, then the key requirements for Management, is to achieve this level of quality at the lowest possible cost.

Since the 1950s, the necessity for qualifying quality costs, i.e. "the quality cost concept" has developed (52). The American Society for quality control published two useful guides in 1967 and 1977 (53) which brought together the quantification of quality costs and how these costs could be reduced. Since 1981, the British Standards Institute have published a detailed guide to quality costs which include such elements as depreciation of Quality Equipment and proportions of other services used by a Quality Department (54). In Ireland, the National Standards Authority of Ireland (N.S.A.I) has been set up to promote the use of standards by Irish firms. In the area of costs, draft papers and standards have been prepared that to date, are broadly similar to the British model.

It is evident that, while many broad similarities are apparent, a common standard does not, to date, exist worldwide in the preparation of quality costs (55) or in the wider area of quality systems. In 1988, the European Committee for standardisation (CEN) launched the ISO 9000 and EN 29,000 series of Quality Marks with a view to creating standardised quality systems applicable worldwide. (See Appendix I - A Guide to the Quality Standard Maze). These Quality Marks applied originally

only to manufacturing Industries. However, in January 1990, the N.S.A.I (National Standards Authority of Ireland) published a new guide to Quality Management in Service Industries.

This new series of Quality Marks is based on the existing ISO 9000 series with the addition of a service element.

A complete cost of quality should include items from four broad categories (as recommended by the various standard authorities).

Category I - Prevention:

Costs incurred in any activity to reduce or eliminate defective products, including Planning and Design - trying to ensure the product is "right" first time. Main elements include:

- Product evaluation Review
- Quality Planning
- Supplier evaluation
- Quality Training.

Category II - Appraisal:

Costs incurred in any activity aimed at conformity of the product to the relevant quality standards - trying to ensure that the product is "right" everytime. Main elements include:

- Acceptance testing
- Inspection at all stages of production/
service/sorting.
- Quality Audits.

Category - Internal Failure:

Costs incurred due to failure of the Product to conform to the necessary quality standards - the cost of not doing it right the first and every time.

The main elements include:

- Scrap
- Re-work and repair (not always possible for the "intangible" elements)
- Re-test
- Re-inspect
- Time
- "Material" review board meetings.

Category IV - External Failure:

Costs incurred due to failure of the product to meet the relevant quality standards after consumer consumption - the cost of failing to discover that we didn't do it right the first and every time afterwards. The main elements include:

- Customer complaints
- Product liability
- Cost of replacement
- Loss of image
- Future Sales Loss

Not all customers will complain when a defective product is sampled. This adds to the problems of trying to quantify the true costs of external failure.

In an analysis of the above categories:

The question arises as to whether the total costs of prevention and appraisal are greater or lesser than those of internal and external failure (difficult though external failure costs may be to quantify)

A variety of views need to be considered.

Snyder (56) has written that industry today is finding that it costs five times more to create a new customer than to provide a system that reliably assures that each customer is satisfied.

It may be stated that in the absence of Prevention or Appraisal costs, total failure costs are likely to be higher. If appraisal is introduced (sorting "good" from "bad"), then external failures are likely to reduce. However, internal failure costs will also increase.

When prevention is introduced, the situation improves further. Juran et al (57) states that prevention is one of the most significant factors in reducing total Quality costs. The inter-relationship among the cost categories can lead (in theory) to an optimum point, which is indicated by "A" in Figure 7.

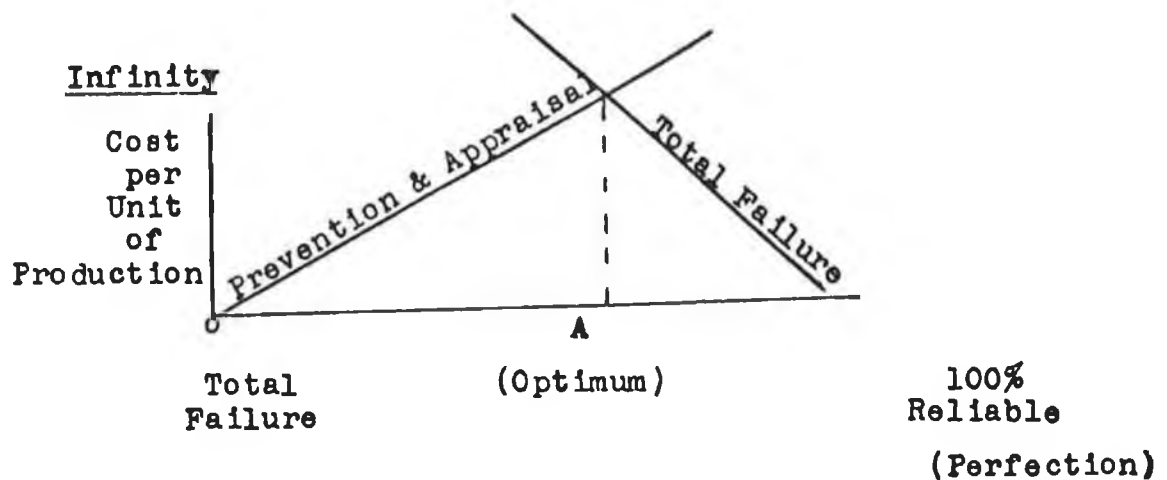


Figure (7) Quality Cost Relationships.

The sum total of Prevention and appraisal costs rises from 0 to infinity as perfection is achieved. Total failure costs drop from infinity to zero when 100% reliability (perfection) is achieved. An optimum point may be difficult to achieve in practice due to changing costs elements, and the difficulty of quantifying external failure costs. It may be more useful to consider instead, cost parameters, i.e. an optimum cost zone. This would allow costs to be assessed over a possible range. In any given time period, results that fell outside of this range would merit further indepth study and analysis.

Quality costs can vary, depending on whether or not a program has been introduced to reduce these costs. Many consultants would expect an organisation that has not undertaken a quality improvement programme to have a quality cost figure of 20% or more of Sales (58). The lowest U.S.A. quality cost per cent reported is 2.5% using sales as the base (59). Crosby (60) declares that by introducing a Quality Control programme, so much money, time and effort is saved (not to mention 'image' and increased consumer satisfaction) that "quality is free".

It is argued that the greater the attention paid to product quality in production, the fewer the demands on the service operation to correct (at least the tangible aspects) subsequent problems (61). This reduces failure costs and contributes to an overall cost reduction.

Quality Cost Bases:

In order to quantify costs, it is important to consider the cost basis. Quality costs are reported either weekly, monthly or quarterly (62). The cost is measured against some business activity or base. The bases used are normally related to labour costs, sales or units produced (63). Care must be exercised so that in selecting the base that trends are not distorted (64). Direct labour costs and units produced can be influenced by changing technology, overtime or sudden lay-offs. Sales as a base can be affected by price increases/decreases, or seasonal effects if production is constant. As production tends to fluctuate with actual business demands in catering, this may make sales the preferred base. If the total quality costs are made up of different product lines (menu items), it is possible to denote a quality cost for each product line and relate this cost to the product's sales. High cost products can therefore, be singled out for further consideration.

Product Liability:

In recent years, Business organisations have become more aware of product liability due to substantial awards made in Court and the consequent increase in Insurance premiums (65). These trends would appear to be on the increase and there is an increasingly wider interpretation being made by the Courts as to the extent of product liability. In addition, the Catering organisations have to fulfill legal requirements with regard to employment, Licensing Laws (intoxicating liquer), and Hotel law (where applicable).

The start of the growth in consumerism can be traced back to the early 1960s when John Fitzgerald Kennedy, the then President of the U.S.A., outlined the concept that the general public had, and were entitled, to certain rights. These are the right to safety; the right to information; the right to choice; the right to be heard; the right to redress; (to date Ireland has no inexpensive legal system); the right to Education (not just Academic Education); and the right to a healthy environment.

In Ireland, legislation has been enacted which seeks to protect the health of the consumer and to prevent fraud. The most important of these are:-

- (1) Food Hygiene Regulations 1950 - 71, which are based on the Health Act 1947. The local Health Boards are responsible for implementing laws in relation to storage, preparation and service of food and they undertake this responsibility through Environmental Health Officers (Health Inspectors) who visit and inspect premises in their areas. The major areas are as follows:

- (a) "Fitness for human consumption" - Food and beverages must be bought from approved sources as the Caterer is responsible in law, for any food/materials found on his/her premises. This also includes the suitability of delivery trucks used to convey materials and the protection of food therein.
- (b) The structure and facilities of the Building. This is concerned with, lighting, ventilation, interior surfaces, drainage and water supply, etc.
- (c) Operational Hygiene - This concerns the work practices of staff including the wearing of clean protective clothing, maintaining equipment in a clean and hygienic manner and abstaining from unnecessary handling of food. If a staff member is a probable source of infection, they are forbidden from engaging in food production or service.

The onus is, at all times, on the caterer to ensure that these laws are being complied with. It should also be noted that apart from large Court fines for the breach of these regulations and the ensuing bad publicity, Health Inspectors are empowered to close down a business that does not comply with the above laws. It may be expensive to rigorously adhere to these regulations, but failure to do so may mean total business failure.

(2) Consumers' Information Act 1978.

This is concerned with increasing the level of accuracy required in the giving of information about a product. It is broadly similar to the British Trade Descriptions Act of 1968, except that the Court may order the fine to be paid in compensation. This Act led to the setting up of a Director of Consumer Affairs who investigates complaints and may prosecute. Fines can be as high as £10,000 and two years in jail.

This Act does not to date, cover catering specifically. It has been argued that people are more concerned with the perceived quality of the Catering Product rather than exact weights and measures. However, the scope of this Act could easily be increased to include Catering with widescale implications for menu design (information) menu item composition and advertising.

(3) Weights and Measures Act 1976:

This Act applies to intoxicating liquor but not to Catering Products. It lays down exact amounts for the sale of intoxicating liquor with the, to date, the notable exception of wine. Wine may be sold by the "glass, but the exact amount or size of glass is not yet clearly defined. In a similar manner to the Consumer Information Act 1978, this Act may, in future, be extended to cover menu items.

(4) Sale of Goods and Supply of Service Act 1980.

This Act amends the 1983 "Sale of Goods Act" and increases protection for the buyer. It clearly restricts the old legal adage "Caveat Empetor (let the buyer beware)". It covers such areas as contract, remuneration, classification of goods, passing of risk to purchaser and terms of contract, i.e. warranties and conditions of sales. The goods and services must be of "Merchantable Quality" and must be "fit for the purpose" for which they are bought. This Act defines the "layman" as requiring special protection (66). Guarantees may be offered by the Seller but they must not infringe on the rights given under these Acts. While these Acts do not mention Catering specifically, they do indicate that all goods and services offered for sale have an implied condition as to fitness and quality for consumption.

Recent Court judgments seem to indicate that the scope of this law is wide and favourable to the consumer.

In addition to these Acts, there are regulations with regard to food labelling, advertising, presentation of food, and packaging of goods. None of these regulations specify Catering but as indicated earlier, the Courts are increasingly giving a wider interpretation to the scope of these Acts and increasing the protection to the consumer.

It may, therefore, be argued that the costs and future potential costs attached to "Product liability" (i.e. external failure cost of the product failing to meet the appropriate quality standards after consumption) must be a major factor in ensuring that they are prevented from occurring in the first place.

From the foregoing discussion of Quality costs in answer to the question posed as to whether total prevention and appraisal costs are likely to be greater or lesser than total failure costs, it may be concluded that the costs of Prevention and Appraisal are lesser than those of internal and external failure.

2.7. Strategic Planning and Quality Costs:

The essential key to quality improvement is Management commitment. Without Senior Management's whole-hearted and persistent adherence to quality standards, all the "quality drives" in the world must fail. One of the best ways to gain Senior Management's attention may be with costs. If the costs of "low" quality can be calculated and exposed quality can be related to the normal financial ethos of the organisation.

Strategic quality planning should become an integral part of Strategic Planning. The main advantage of this is that Quality Planning becomes continuous and permeates through all departments of the organisation. The overall strategic plan will evolve mainly from examination of, past performance, present market position, competitions and the changes taking place in environment.

A quality strategy is one of the principal reasons which has given Proctor and Gamble market leadership in consumer products (67). The Profit Impact of Market Strategies (P.I.M.S) indicate that it does not pay to promote a poor quality product (68). It results in a lower return on investment. Chisnall (69) indicates that the planning and establishing of performance controls for customer service is a vital element in Sales success. The setting of clear quality objectives should aim towards increasing strengths and reducing weaknesses.

The Pareto principle (70) may be a useful concept to show where the greatest savings may be made. The principle was named after the Italian Economist, Vilfredo Pareto (1848 - 1923) when he studied the distribution of wealth, and quantified the non-uniformity of its distribution. The principle was inappropriately named (71) and should have been identified with M.O. Lorenz. The principle separates the vital few from the trivial many. It has also been called the 80/20 rule, that is that 80% of the problem (costs) may be attributable to 20% (of the production).

The hazard analysis critical control point model (72) which uses the determinant that loss of control at a particular point would result in an unacceptable risk, may also be considered in cost savings. A problem with this model which aims at the elimination of "Duds" is that it concentrates on production and ignores other aspects, such as the "intangibles" of service. C.E.R.T. the state agency responsible

for recruiting, selecting and training of craft staff for the Hotel Tourism and Catering Industry, has produced a hazard analysis critical control point model for food operations which may be viewed in Appendix 3. As with other hazard analyses models the same criticism applies.

2.8. The Japanese Experience:

Japan is today, regarded as one of the world's greatest economic powers. They have achieved this position in little over 40 years since being defeated in the second world war. They have few natural resources, having, for example, to import almost all their energy requirements. Juran (73) claims that quality has played a key role in this success. He notes the importance given to training programmes in quality that are conducted on a regular basis and applied to all levels of staff (including all Senior Management).

It may be claimed that a major contributor to the Japanese concern for, and achievements in the area of quality, has been W.E. Deming, the American Statistician. He first started talking to the Japanese about how to build quality into products in 1950 (74). Deming also feels that it will take the U.S.A. (and Europe) the best part of 30 years to match what Japan has done, at the present rate of progress.

In the western world, there is the acceptable quality level (AQL) concept (75) which is widely used and allows defective products to reach the consumer. The Japanese have a "zero defects concept" where defective products are not knowingly marketed. The major Japanese manufacturers have established clear out quality goals, they budget for zero defects and measure discrepancies in Marks per million (76). Another concept "Quality Circles" has been in operation in Japan since the 1960s (77). These quality circles consist of small groups of staff and supervisors (not Senior Management) who meet regularly to discuss quality problems and their solutions. Features of such circles are that they are entirely voluntary, intensely practical and non-bureaucratic. The growth of the circle depends on employees and is not dictated by the organisation.

The organisation can however, provide back-up by training expertise in such areas as brain storming and data analysis. A problem Quality circles may have, is Management's reluctance to divulge information which they regard as confidential, simply because it gives them a psychological edge. In addition, Quality Circles are a long term growth experience for all involved. It may take many years for the benefits claimed to appear. Benefits claimed are positive attitudes, motivation, increased confidence, better communications and financial savings with increased (or maintained) quality levels. "Quality Circles" have, at best, accounted for only 10% of the overall Japanese revolution in quality. The real Japanese emphasis has been on value,

i.e. high reliability at low cost (78). In recent years (since the 1980s), there are indications that quality in all its aspects is being taken more seriously worldwide. IBM has introduced the concept of total Quality Management throughout their organisation. They had discovered that total quality costs were between 25% and 40% of production, of which failure costs were 75%. The cost of preventing such problems in early design compared to finding them and repairing them in the field ranged from 50/80 to 1 in two IBM studies and that ignored the benefits accruing to customers (79).

In conclusion, it may be said that the Japanese success worldwide, since the 1950s, can be attributed, in no small measure, to Marketing Strategies which include quality and value as central themes.

2.9. A Quality Audit for the Catering Product:

One way to analyse the nature of the customer's "Meal Experience", is to conduct a "Quality Audit". Juran and Gryna (80) defines such an audit as an independent evaluation of service quality to determine its fitness for use and conformity to customer expectations.

The I.S.O. (International Organisation for Standardisation) Draft Guidelines to Auditing defines auditing in somewhat broader terms than Juran and Gryna. The I.S.O. assumption is that an organisation cannot be depended upon to produce products/services to a required standard consistency, unless its quality management system also operates to an agreed

standard. Therefore, the I.S.O. definition of auditing is that it is "a systematic and independent examination" of the ability of an organisation "to comply with planned arrangements" and whether these arrangements are implemented effectively and are suitable to achieve previously agreed objectives (81).

In assessing the objectives and quality levels (specifications) for the Catering Product, there may be two potential types of problems that can manifest themselves.

1. The ability of Management to set the correct Standards:

Management may lack the Marketing skills to correctly assess the customers' requirements for dining experience, with subsequent implications for the Product, packaging, promotional messages and profitability. This inability to meet appropriate standards may be due to a variety of reasons.

- It may be that few Managers are trained to assess objectively "a meal experience" in their own establishments. Many managers rely on their own "experience" as the arbitration of good/bad performance.
- Evaluation of customers' satisfaction may not be handled in a structured way that gives adequate feedback. It is a complex area involving many factors that may be out of the direct control of the Manager. For example, customers pre-conceived expectations, their mood at the particular time,

and the occasion of actual reason for the visit, may all have a bearing on their level of satisfaction. Any evaluation of customer satisfaction must consider these issues. Peters and Waterman (82) advocate "Management by walking around" but it may be that the Organisation structure does not allow enough time to set and evaluate standards.

2. The Performance Nature of the Catering Product:

As outlined in Chapter I, Service levels tend to vary due to the 'performance' nature of the catering product. This makes the creation and measurement of standards somewhat difficult. One approach has to be to divide operations into "high contact" with a subsequent high level of customisation and "low contact" with a more routine approach. This has proved very successful for organisations such as the McDonald Restaurant chain (83). However, attempts to apply manufacturing models of quality control to 'high contact' operations have been criticised as leading to much standardisation and an impersonalisation of the service element (84).

For an audit to be successful, senior Management and Auditors must agree the objectives, methodology scheduling and reporting procedures. In the case of Hotels, it is generally accepted that the nature of the service is so complex, that an audit cannot be made of the total service experience (85). In a Catering establishment this is not necessary so, though even within the one operation the nature of the service may vary according to the time of

day, i.e. Breakfast, lunch, dinner. It therefore, is necessary to establish the objectives of the audit. The Pareto analysis (86) may help by ranking all problems in order of importance.

The second step is for a profile of the typical customer to be built up (age, background, occupation, income). From this, judgments can be made covering life style and likely attitudes to the amount and level of services provided. The purpose of the visit may also be important, i.e. social, domestic, business.

The third step is to conduct the audit. There are two methodologies which may be considered and both of which may be applied together. The first is to observe guests experiencing the product and participate as a guest. Where possible, the Auditor should be "incognito" both to staff and other guests to help remove bias from the finding. As it may prove impossible, in practice, for an Auditor to be "incognito", a representative sample of guests may be interviewed to assess levels of consumer satisfaction.

The second methodology, embraces the assessments of consumer satisfaction and in addition audits the management system to indicate if it reliably provides the required quality levels.

The fourth and final step is a report. This should be detailed and include an analysis of the findings. Rating scales of those factors that contribute to guest satisfaction

may be used. Numeric values may be attached. Any deviation from expected scores can be further analysed. There are advantages and disadvantages to carrying out Quality Audits. Disadvantages include:

- statistical sampling does not necessarily provide valid evidence of the level of satisfaction of guests.
- auditor may be biased.
- auditors experience, like customers, is sometimes unique, and may provide misleading evidence.
- the audit may provide results that make it difficult to separate the "wood from the trees"

The advantages of a properly planned, prepared and executive Audit are enormous.

- They are consumer and management orientated.
- Independent and they are objective.
- Give tremendous information and details.

It may be argued that any organisation intent on a serious commitment to 'Quality' will consider a Quality Audit as one of the starting points.

2.10.A Quality Assurance Approach to Catering:

Almost by definition, as stated previously (2.3), it may be said that this is both a philosophic, as well as a practical approach to Quality. It embraces both manufacturing and behavioural quality control systems. A key element in effective "service" is the behaviour and interaction of the staff with customers. It may be argued that since service and production are so inextricably linked,

quality control systems should be viewed as one, rather than two systems working in tandem. It is unlikely that quality service will be achievable with unsuitable, poorly trained staff or that suitable staff will provide the correct level of service without guidance and motivation.

King (87) believes that manufacturing Quality Control systems with the addition of a behavioural control element can be adapted for application to service industries. Wyckoff (88) supports this view and argues that by setting "parameters" for Service area, rather than exact specifications, that discretion and flexibility, which may be necessary in the customer contact areas, can be granted, while a standard of control is still maintained.

Mill (89) suggests that service employees should be flexible and able to "empathise" with customers, i.e. see their point of view. He also states that "personality" testing must be an important criteria in the selection of service staff.

Room (90) argues that the skills required of Service Personnel go beyond the physical ability to carve a roast on the intellectual ability to operate a cash register. He states that food must be served at the proper "social temperature".

Harris (91) stresses that the quality of service is directly related to the attitude and behaviour of those providing the service. He states that organisations must develop in their staff, a caring attitude towards customers and that a core value must be the pursuit of excellence.

Venison (92) suggests that training is a vital element in developing service quality. Training should focus on increasing staff awareness of customers needs by "transactional analysis" of the customer/staff relationships.

Some organisations emphasise the importance of quality by overt use of the word from the moment of recruitment, right through induction and on-the-job training (93). This emphasis on one feature of the organisation plan becoming central to the shared value system of the operation, in recognition of which, quality performance is perceived and rewarded. The physical resources of Equipment, Environment and Management example, provide the necessary "back-up" and must be of the required quality themselves. The importance of Management as role models in contributing to this type of "cultural climate" is very significant, according to Murphy (94).

Murphy further states that in implementing a quality assurance approach, there are three considerations:

1. Motivation: This includes both Management and staff. There must be a long term commitment to quality, and Management must be 'seen' to be committed to it.
2. Investment: There must be large investments in time and training and in defining key quality elements. A "bell wether" project approach may help in the initial stages.

3. Quality Organisation: This involves the setting and monitoring of quality standards. Key quality indicators, including customer complaints, quality costs, results of quality improvement programmes, and summaries of inspection reports must be included in Senior Management reports.

Giles and Willaims (95) state that many attempts at quality management have failed, because aspects have been used in a quick-fix capacity. Quality circles, suggestion schemes, just-in-time management and statistical process control, to name but a few, have been introduced in isolation, in the hope that they would cure all the organisations' ills. Quality Management is according to these two writers, a total philosophy involving the focused involvement of everyone and cannot be applied in isolation.

From the foregoing, it may be concluded that an overall management philosophy for Catering Quality should include the following interactive elements:

- (1) Make a total commitment to quality, a core value of the organisation's "cultural climate".
- (2) Critically analyse and evaluate on a regular basis all aspects of the operation. Use imaginative ideas and responses to problems.
- (3) Recruit the 'right' people: This has implications for both the Management, production and the service elements of the Catering Product. .

(4) Document and Communicate all Standards:

Using these four elements, the manufacturing quality control production system, as summarised by Thorner and Manning (96) and the N.S.A.I. (National Standards Authority of Ireland) ISO.9000 Guide "Quality Management in the Service Industries (97), the following approach is suggested as suitable for the Catering Product.

2.10.1. Set Quality Levels:

The highest levels of Management should, with due regard to market requirements, define quality objectives pertaining to the key elements of the performance, safety and reliability of the catering product. The responsibility for and commitment to a quality policy for the Catering Product also rests with senior management. Policy must be defined, understood, implemented and maintained.

The N.S.A.I. Guide (98) states that documented plans, procedures, records and instructions defining how activities in the organisation are to be effected, is vital to the success of a Quality system. A "Quality Manual" which provides an adequate description of the quality system (objectives, policies, plans) and is a permanent reference in the implementation and maintenance of that system is a key requisite and first step in the establishment of any Quality system. Furthermore, for an organisation to gain registration to I.S.O. standards,

a quality manual and adequate supporting operational procedures (Standards of Performance Manuals) and related work instructions are an essential requirement.

Quality levels are established by detailed Market Research. This consists of primary and secondary research, including surveys, quality audits, customer profile and life style analysis, to name but some of the methods used. Chisnall (99) emphasises the importance of a "Multi-Technique" approach, that is the desirability of combining a variety of survey techniques in order to reduce the bias inherent in any one particular method. The objective of the research is to analyse customers' needs, expectations and ability to pay. It is also important to analyse competitors and the business goals of the host organisation.

2.10.2. Set Product and Operational Standards:

The product standards are both tangible and intangible. The tangible standards may be easiest to set, measure and correct, if required. These standards are based on the quality levels established by the Market Research. Such standards of performance may range from unwritten policy established and monitored in person by the Owner/Manager, up to highly detailed written documentation, specifying exactly the required quality at each stage of the process. These documents are usually referred to as "Standards of Performance Manuals" or "Procedures Manuals".

The quality of the Catering Product depends upon effective control through each stage of the "Catering Chain" (Figure 5), this chapter. Effective control has two elements. Firstly, there is the setting of the required standard, and secondly, the monitoring of actual performance to ensure that the standards are achieved and maintained.

It may be argued that there are four broad inter-related areas of analysis for product and operational standards. They are:

Material analysis

Equipment analysis

Environment analysis

Employee performance analysis

Material Analysis:

Quality cannot be improved at each stage of the Catering chain; it can only be maintained or allowed to deteriorate. The selection of poor quality raw materials will result in a poor quality meal despite adequate storage cookery and service. Similarly, quality raw materials will be ruined by inadequate storage, cookery and service.

The details of material analysis will depend on organisation policy, storage facilities available, production and service delivery systems in use, level of staff skills, nature of the menu and the competitive environment. With the growth in the use of high levels of technology by the Catering industry, the need for exact specifications that lead to product conformance, on a regular basis is becoming more important.

Raw material analysis includes the writing of Purchase specifications, supplier appraisal and selection, method of placing orders, inspections of deliveries and storage.

Purchase specifications, whether formally documented, or the expressed preference of the owner/manager, should contain clear information on, names of suppliers, type, grade, trend, size, weight, cost parameters, yields, supply procedures and inspection methods.

It should also be noted, the importance of having a review of material specifications on a regular basis due to changing consumer tastes and changing food technology developments.

Suppliers may be selected in two ways, either by tender or by having a list of "nominated suppliers". These sources of supply should be investigated to identify their ability to produce the desired quality level on a regular basis and to deliver when required.

With regard to order placement, a written record facilitates the compliance with the technical aspects of purchase specifications and aids financial control.

The next stage of raw material analysis is inspection of delivered goods. The goods received must meet the purchase specifications. To ensure this, competent trained personnel, with adequate equipment and facilities for inspection must be employed. The level of inspection may vary from operation to operation. The minimum level may be visual checks for defects and the counting and weighing of commodities. More detailed

procedures may include, temperature inspection, food content (of meats) and the taking of samples for further analysis, perhaps in laboratory. With the increasing use of high technology products, there is an increasing need to consider the use of more sophisticated methods of inspection.

The final stage of raw material analysis is storage. It is important to ensure that materials are stored in such a way that they retain their quality level. Time and temperature controls are vital as is strict stock rotation.

From this point on, the 'raw materials' undergo some process of preparation and production for service to the customer. In the same way that purchase specifications are designed to maintain raw material quality, the concept of standard recipes may be introduced to ensure dish quality. They provide comprehensive details of both ingredients and method of preparation and processing (cooking) and may include "plate appearance" where appropriate. To be effective, standardised recipes must be supported by adequate equipment, production scheduling, an organically correct environment and effective on the job training. In addition, random monitoring of the end product is required, employing both sensory and scientific testing.

When preparation and production have been completed, it is usual for the food to be held in a finished or semi-finished state for a period of time prior to service. Depending on Catering System, this may vary from a few minutes to several weeks, (e.g. sous-vide system (100)). There is little doubt

that, at this stage, cooked food is most likely to deteriorate or become a health hazard, unless the proper guidelines, as laid down by the Food Hygiene Regulations, are followed.

The final part of material analysis is the service of the food to the customer. The setting of standards for service is more properly dealt with under the heading "Employee Performance Analysis" as service has a dual dimension of both the tangible manner of actual food transformation and the intangible aspect of customer-staff relationships. It is important, however, that in a similar manner to the food production area, that adequate facilities, equipment, and training, are provided for effective service.

Equipment Analysis:

In choosing equipment, consideration must be given, firstly, to the Catering System to be used, i.e. traditional, cook-freeze, cook-chill etc. The equipment must be matched to the requirements of the menu, output and level of quality desired in order to obtain maximum utilisation. Good Ergonomic design and a clear understanding of work flow principles are required in the placing of the equipment in the Food Production area. Where possible, equipment must be "user friendly", i.e. easy to maintain and clean. Staff must be trained in the correct use and maintenance of all equipment and systems.

Environment analysis:

The work environment must facilitate practices that lead to conformity. The physical surroundings, such as the level of light, noise, decor and size of the work area must be carefully considered.

The conditions under which a task is performed may effect the quality level obtained. For example, conditions of discomfort, fatigue, and restricted movement or access may lead to a lowering of performance levels. Similarly, the degree of monitoring and speed of performance required, merit careful consideration. Kotschevar et al (101) state that environmental design must incorporate a sound knowledge of ergonomics and work flow principles to ensure conformity and efficient work practice.

Finally, the environment of the organisation's culture must be considered, i.e. compatability between personnel and Management/Employee relationships. As noted earlier, 'corporate culture' should have 'quality' as a core value.

Employee Performance Analysis:

This is easiest to measure in the production areas (kitchens) and in "low contact" operations. The emphasis is on tangibles of physical food production which may be measured against time, size, weight, quantity, portions and other physical properties. In the area of customer contact (service) while the tangibles of food (production) are important, there is the added dimension of intangibility as discussed in Chapter I. Most research in the area indicates that the setting of standards may be partly dependant on the use of parameters rather than exact measures and that personality and the ability of the server

to "empathise" with customers is important. Martin (102) divides service quality into two dimensions. One is a procedural dimension which is the technical system involved in delivering products to the customer, and secondly, the "convivial" dimension, which is the server's ability to relate in a pleasant manner to the customer. For each procedural dimension, there are the corresponding convivial ones. Figure (8) reproduces Martin's approach.

<u>Procedural Dimension</u>	<u>Convivial Dimension</u>
Accommodation	Attitude
Anticipation	Attentiveness
Timeliness	Tone of voice
Organised Flow	Body Language
Communication	Tact
Customer Feedback	Naming Names
Supervision	Guidance, Suggestive selling, problem solving.

Figure (8) "Worksheet of Service Quality"

These standards may be ranked in order of importance and be assessed and monitored by key indicators. For example, an indicator of timeliness may be customer greeted within 30 seconds of entering and establishment and food order taken within five minutes. (This time range allows for parameters while maintaining control)

Martin (103) further states that this concept may be used to audit the total product offering of a restaurant. He states that each restaurant type may require its own set of performance indicators for each procedure/dimension and that a rating scale should be used to record each indicator's frequency of occurrence. His "sample service - Audit Form" embraces the procedures/dimensions of the "Worksheet of Service Quality" (Figure 8).

King (104) states that defining and documentation of each task is vital in that it leads to conformity and provides a basis for staff training, i.e standards of performances. It may be used for a framework of analysis of how to raise productivity and it helps avoid confusion amongst the staff. This conformance, King states, must be supported by recruitment of the "right kind" of staff, training staff in behavioural as well as technical skills, providing adequate staff facilities and employing supervisors who lead by example and are skilled in inter-personal behaviour.

One Product and Operational standards have been met, the second element of control may be implemented, that of monitoring actual performance and where required, correcting non-standard output.

2.10.3. Check Performance and correct non-standard output.

In organising a system to check actual performance, it is important to ensure that it is reliable, accurate, fair and operated on a regular basis.

The most important source of information about Conformity with standards are the customers. Information may be received in three ways, Compliments and Complaints, Guest Surveys, Comment cards.

A major problem with compliments/complaints and comment cards, is that the customers taking part, may be a small unrepresentative sample (105) and may be statistically invalid (106). A survey may, however, be structured to take opinions from a much broader range of customers and be a more accurate means of assessing customer satisfaction. It may be carried out as part of a Quality Audit and may include observation, comment cards, solicited and unsolicited compliments/complaints as part of the process. Lewis and Pizam (107) have identified factors that a survey should achieve. The main factors are:

1. Measure the dominant trends in consumer satisfaction.
2. Provide straightforward unambiguous information.
3. Encourage customer response (by being short).
4. Tell the organisation if the customer will return.
5. Take the specific needs of the organisation into account.
6. Be easy to analyse to facilitate prompt action.

They further suggest the following methodology to meet the above requirements:

- A. Detailed interviews with a variety of customers to establish the important/unimportant variables of satisfaction.
- B. This potentially long list should then be factor analysed to create a smaller "core" number of main variables, i.e. "A Restaurant satisfaction Index"

C. Use regression analysis to weigh each dimension according to their contribution to overall levels of satisfaction.

Figure (9) illustrates this methodology.

A	Weighting	Rating	Possible score	Weighted rating	Possible weighted score
Food	0.4	5	5	2.0	2.0
Convenience	0.25	4	5	1.0	1.25
Service	0.2	3	5	0.6	1.0
Professional staff	0.1	2	5	0.2	0.5
Cleanliness	0.05	1	5	0.05	0.25
Total	1.00	15	25	3.85	5.00
Satisfaction level	(%)	60 (without weighting)		77% (with weighting)	

B (reversed rating)	Weighting	Rating	Possible score	Weighted rating	Possible weighted score
Food	0.4	1	5	0.4	2.0
Convenience	0.25	2	5	0.5	1.25
Service	0.2	3	5	0.6	1.0
Professional staff	0.1	4	5	0.4	0.5
Cleanliness	0.05	5	5	0.25	0.25
Total	1.00	15	25	2.15	5.00
Satisfaction level	(%)	60 (without weighting)		43% (with weighting)	

Figure (9) A Restaurant Satisfaction Index

This index illustrates the importance of weighing each factor. While both example A and B have a total rating of 15, by weighing factors differently, example A has a 77% satisfaction rate, while B has 43%. This underlines the importance of establishing the important and relatively unimportant variables.

Regular surveys of consumer satisfaction, using the above methodologies, should yield reliable, valuable and accurate information on the level of conformance. Further methods of investigation involve MBWA and budget analysis.

M.B.W.A.

This stands for Management By Walking Around and is advocated by Peters and Waterman (108). It may be argued that because of the 'performance' nature of the meal experience, it has a particular relevance. All the literature indicates that Management, by their actions, set the example and are an important ingredient in the creation of "corporate culture". In addition, M.B.W.A. allows management an observational role with regard to the maintenance of quality levels.

Budget Analysis:

As already discussed in 'Quality Costs' (2.6), there is an optimum point above which the provision of additional quality levels becomes uneconomic. A budget analysis of Sales, Quality costs of Sales in conjunction with an analysis of consumer satisfaction levels should indicate clearly in financial terms, the success or otherwise of the Quality Assurance Programme.

In conclusion, it may be said that to check quality conformance with the standards set, the information must be gathered primarily from the customer. This should be carried out in a structured way and may involve the use of Quality Audits, Surveys, M.B.W.A. and checking budget conformance.

Correct non-standard Output:

Once it has been clearly established that quality levels are at variance with the standards required, corrective action must be taken. This starts by determining the cause of performance variance. As already discussed, most research indicates that quality failure lies with Management. Prime reasons for management failure may be that quality levels set are incorrect for the target market segment. It may be that the analysis and monitoring of performance of materials, equipment, the environment and employees is faulty or unfair.

There may be a lack of communication and understanding of the prime influences on job performance which include the individual job holder, the job itself, how (and why) standards associated with the job are communicated and the level of motivation amongst staff as individuals and as a team. It may be argued that because of the 'performance' value of the Catering Product, that the obtaining of consistently 'correct' performance from the staff is a key result area and performance indicator in its own right.

Mill (109) suggests that different strategies are required to correct poor staff performance depending on the cause of employee failure. As examples, he suggests that 'motivation' can be corrected by positive reinforcement, 'the individual'

by a re-assessment of selection procedures, re-deployment or dismissal and so on. For each stage in the process of improving employee performance, a different option may be suggested that requires an appropriate action plan.

The level and kind of feed-back (complaints/compliments) received from the customer may also indicate the corrective action required. A difficulty in identifying complaints may be in the way they occur. They may be random, sporadic or systematic.

Random complaints will be infrequent and conform to no investigative pattern. These characteristics make investigation difficult. Sporadic complaints are clearly identifiable as conforming to a pattern, but are not in evidence on a regular basis. They may be associated with influences that lie directly outside the management control, such as inferior staff performance due to illness or an unexpected high level of demand. Systematic complaints or errors, are frequent and conform to a pattern. These may be easiest to identify and correct.

It may be argued that the characteristics of the Catering Product may make complaint resolution somewhat easier and quicker than in other businesses, as in face to face contact, apologies and reparation, if required, can be offered quickly and efficiently.

Once the cause of performance variance has been established, action must be taken immediately to satisfy existing customers and to ensure that complaints do not re-occur. Using a 'Quality Assurance' approach which involves a total commitment to quality, all the relevant staff should be involved in the resolution of performance variance. In addition, this helps ensure fairness and good communications.

2.11. The Irish Dimension:

The importance of "Quality" as an integral part of any product or service is only now beginning to achieve widespread recognition in Ireland, due mainly to our membership of the E.C. The E.C. has decided that C.E.N. (European Committee for Standardisation) should set standards for its markets so that all members will operate to harmonised standards, thus eliminating technical barriers to Trade. C.E.N. has adopted the I.S.O. (International Organisation for Standardisation) 9000 series of Quality Management standards for all its members. This in effect means that E.C. directives on public safety, health, product liability, environment and other public issues are based on agreed European standards so that if an organisation's product conforms to a standard, then they have little to fear from legal action. Apart from product liability, market forces, especially in the form of the huge Governmental E.C. public procurement market who will only purchase to ISO.9000 standards by 1992 (110) make the attainment of ISO standards essential for many Irish Industries.

There are several organisations and consultants active in the area of "quality". The most important of these may be: EOLAS which is the Irish Science and Technology Agency established by Government which seeks to develop an appropriate national Science and Technology infrastructure. It contains various organisations, concerned with Research Standards and Technology. One of these is the National Standards Authority of Ireland (N.S.A.I) which is a member of C.E.N. and which seeks to promote the use of standards by Irish firms in their day-to-day operations. This it does through its certification schemes which provide the required evidence that an organisation fulfils customers identified quality needs and operates a quality management system to an agreed standard. Its most important scheme may be the "Registered Firm Scheme" which is based on the ISO.9000 series of quality system standards. These international standards, were adopted in 1987 as the standards for quality system management for Ireland. These standards set down the requirements for a soundly based quality Management system, They may be applied in almost any situation where an organisation wish to adopt quality approach to providing products and services. The system involves filling out a detailed questionnaire, nominating someone to take control of quality, putting that person through a three day workshop on quality and then getting them to write the manual must become a reality, and once achieved, the organisation is audited four times a year to ensure standards are maintained. These procedures for registration can cost up to £2,000.

Another organisation which is active in this area, is the Irish Quality Association I.S.A). They award a special "Q" mark which is well recognised and promoted in this country. The "Q" mark is audited to ISO.9000 standards and has a promotional dimension. It is of interest to note N.S.A.I. also have a mark or logo that may be used by registered organisations (111), but it is not as yet widely promoted. John A. Murphy (112) states that Irish Quality Associations system, compliments the N.S.A.I. standards and that an agreement has been reached with the N.S.A.I. that an organisation that has been awarded the "Q" mark, need only be audited three times a year. To date, N.S.A.I. have seen a 50% increase in audited organisations over last year and I.Q.A. expect a similar increase.

In addition to these organisations, there are a growing number of independent consultants who offer advice and help to Firms who wish to improve their quality standards.

Therefore, it would appear that "Quality" is becoming to be seen as a vital factor in business success in Ireland.

CHAPTER II

2.12. Summary and Conclusions:

The pursuit of quality is a conceptual and practical approach to ensuring that the customer is satisfied and that the objectives of the organisation are met. The problem associated with Quality and Catering are primarily the difficulty of quantifying and measuring what exactly 'quality' is. For the customer, it is a subjective, personal experience, which may be based on product availability, grade and level of conformity with previous experiences. For the organisation, quality is concerned with the provision of, on the one hand, tangible controllable items (food, beverages) and on the other, intangibles (such as service, image, atmosphere) and consequently, less controllable.

The term 'quality' should not be confused with 'the best'. Consumers evaluate each product offering against a criteria, normally based on personal previous experience. This has implications for the 'level' of quality offered.. There is no need to provide "the best" but the best the customer's money can buy.

Technical definitions of 'Quality' indicate that it is the totality of the features of a product that impinge on its ability to satisfy a given need. Quality Assurance is primarily a conceptual approach and embraces all activities and functions concerned with the attainment of the required quality level. 'Quality Control' is the particular mechanism used to deliver the required quality level and is a subset and integral part of Quality Assurance.

In addition, there are the financial considerations involved in the production of goods and services. Business is concerned with long term survival. A thorough research of the literature clearly indicates that the costs of designing, implementing and reviewing on a regular basis, a Quality Assurance Program is far outweighed by the costs (such as scrap, complaints, loss of image, loss of sales, product liability) of not doing so. An organisation's strategic Planning needs to incorporate a documented quality strategy as an integral part of market and product planning.

The Japanese have become world leaders in Industry and Commerce in only 40 years, since being heavily defeated in the second World War. They have succeeded in this by developing the concepts of 'zero defects' where a defective product is not knowingly marketed and by introducing "quality circles", a voluntary on the job staff desire for involvement in quality development and by the use of marketing strategies that include quality and value as central themes.

One way to examine the quality level of the service experience in an establishment is to conduct a "Quality Audit", which may be defined as an independent evaluation of service quality and its ability to satisfy customer needs. A quality audit may also embrace auditing the quality management system of the organisation. Quality audits may be used to either test hypothesis or substantiate 'expert opinion' about the organisation's service effectiveness, or as part of a total quality improvement program. For an audit to be a success, careful consideration needs to be given to the setting of the objectives

of the Audit, methodologies to be used, customer profile evaluations, reporting procedures and analysis of the findings. It is argued that any organisation intent on a serious commitment to "Quality" will consider a Quality Audit as one of the starting points.

The highest levels of management should define quality objectives and take responsibility for the creation of and commitment to quality policies. Policy must be defined, understood, implemented and maintained. Quality objectives must be directly related to market requirements, i.e. the needs and expectations of the customer. Quality Management is a total philosophy involving the focused involvement of everyone and cannot be applied on a piecemeal basis.

Documentation is a vital part of Quality Assurance. A "Quality Manual" which provides an accurate description of the Quality system (objectives, policies and plans) together with adequate supporting operational procedures are essential.

In Ireland, due primarily to membership of the E.C., there is a growing awareness of the concept of Quality. The National Standards Authority of Ireland (N.S.A.I) has been created by Government and this Body is actively promoting the use of standards, especially through its "Registered Firm Scheme". All of these standards are based on agreed European standards as laid down by C.E.N. (European Committee for Standardisation).

In January 1990, the N.S.A.I. published a new guide to Quality Management Systems for the Service Industries under 9000 series of Quality Marks.

This summary concludes with an examination of a Quality Assurance approach to the Catering Product. This approach is both philosophic and practical. It embraces both manufacturing and behavioural quality systems. There are four basis interactive elements.

- (1) Make a total commitment to Quality, a core value of organisation's "cultural climate". res
- (2) Critically analyse and evaluate on a regular basis, all aspects of the operation. Use imaginative ideas and responses to problems.
- (3) Recruit the "right" people: This has implications for both the Management, production and service elements of the catering product. ion
- (4) Document and communicate all Standards: Using these four elements, a Quality Assurance System for catering may be summarised as follows:

A Quality Assurance System for Catering.

<u>1. Set Quality Level</u>	<u>Comments</u>	
Quality Objectives	What are the goals of the organisation?	3.
	Safety and Reliability.	rels.
Quality Policy	Definition, Understanding	1
	Implementation, Maintenance	1
Market/Customer Requirements	Market Research ("Multi-Technique").	
	Tangible and Intangible.	
	Defining "Service"	
	Demand Forecasting.	
Quality Characteristics	Factors. Are Quality levels correct?	
Documentation	Quality Manual	

A Model of this Quality Assurance System, with
explanatory notes, may be viewed in the Appendices
(No. 2)

CHAPTER 3

Contracting out Catering Activities

3.1. Introduction:

It may be argued that superior financial performance for any business organisation comes from having clearly stated objectives, sound marketing strategies, the ability to implement them and an innovative approach to all aspects of the operation. The more market orientated the organisation is in providing the required products and services to customers and doing this at the least cost, the more profitable it will be. Peters & Austin (113) maintains that business success boils down to staying close to customers by providing them with superior quality products and services and by constant innovation in all aspects of the business. Chisnall (114) states that innovation is risky, often expensive, but absolutely vital for corporate growth and success. Drucker (115) sees innovation as part of the executive's job who must be prepared to use imaginative ideas and responses to problems.

Peters and Waterman (116) indicate that successful organisations are characterised by eight attributes. These are, a bias for action, close to the customer, autonomy and entrepreneurship, productivity through people; hands-on-value driven, stick to the knitting, simple form - lean staff and simultaneous loose/tight proper ties.

Although these attributes may be generally regarded as basic business skills, they do indicate that successful organisations tend to identify and concentrate on the "basic" and "core" activities" and to ignore the existence of support functions, such as cleaning/maintenance, security, and catering. It may be suggested that one innovative way to "ignore" support functions is to contract them out to specialists in those areas.

There are no standard text books to date, that deal exclusively with the concept of contracting out non-core or support service activities. However, a literature review of both Business and Catering texts, Journals and Magazines has been undertaken and the results are discussed throughout this chapter.

3.2. Contracting out Business Activities:

Handy (117) clearly states that in the past, organisations tended to personally employ everyone who worked or performed a service for them. However, in the 1980s, due to the recession, organisations began to cut back on non-essentials and to concentrate on their core activities, i.e. those activities that they could do best. Sub-contracting may allow outside specialists to carry out non-core activities and leaves the main organisation free to concentrate on essentials.

Handy also refers to what he calls the "Japanese Drift". This is where the large Japanese organisations float on a raft of small sub-contractors. This raft of small business allows the larger organisation to concentrate on their core activities. It may also aid the development and maintenance of quality levels through the potentially higher levels of competition amongst the smaller specialist firms.

Koontz and Weihrich (118) consider that contracting out services merits serious consideration. They feel that organisations can save money by contracting out to specialists. This may be because outside firms can carry out specialist work at lower cost due to their not being subject to the same wage structures, fringe benefits etc. of the host organisation. In addition, the outside firm may be able to keep a larger pool of skilled staff on hand to meet specialist problems than the host organisation.

Mintzberg (119) in discussing why many large organisations provide so many of their own support services, instead of contracting them out, states that the answers lie in the areas of "tradition" and (of more importance) "control". Many organisations wish to be in control of all elements of the product and while this is essential for Quality Assurance, it may be argued that "control" can be exercised without the requirement of ownership. Mintzberg in examining the operations work-flow of specific organisations divides the organisation structure into five parts. There is firstly, the "Operating Core" - the staff who actually perform the basic work of producing the products/services.

Secondly, there is the "Strategic Apex" which develops as the organisation grows more complex. The third element is the "Middle Line", that is the hierarchy of authority between the operating base/core and the Strategic Apex. Fourthly, he describes the "technostructure", i.e. "Staff" function of any organisation, and finally, there is the "Support staff" who provide all the indirect services, such as cleaning/Maintenance, security and catering. Mintzberg claims that almost all large contemporary organisations provide a great number of these specialist support units. He also indicates that very little research on the impact of these support units has been carried out. It may be argued that Mintzberg's reasons why an organisation should have so many in-house support groups, particularly at the lower levels where the work may be standardised, are no longer valid. "Tradition" is the anti-thesis to innovation and "control" may be exercised without ownership.

Napier (120) maintains that Management desire for greater staff flexibility and efficiency has led to the development of new working relationships, such as self-employment, part-time work and the use of Agency (Contract) staff. From the employer's point of view, this flexibility helps reduce the overheads of social security contributions and pension contributions. An example of this is Premier Dairies, the largest suppliers of milk to the greater Dublin area. All of their milkmen, have over the last number of years, moved from being employees to being self employed.

MacDonald (121) states that markets and market share are the new "fixed" assets of any business rather than the traditional factory buildings and Plant. Large organisations need smaller, not larger, factory buildings and smaller groups of staff (work units). This, he claims, gives both flexibility and greater job satisfaction to the staff working in these smaller more intimate work groups. He notes that business must be flexible, i.e. "lean" and innovative. While he does not distinguish between "core" and "support" business activities, he does emphasise the need to utilise the most efficient and cost effective means of achieving the organisation's goals. This may involve forms of "contracting out" such as the re-location of units of production material sourcing on other activities to different countries or lower cost countries.

Johnson and Lawrence (122) note that a large part of Japanese business success rests with their large trading companies. These companies arrange the buying and selling of goods at every step of the business chain. Yet these organisations do not carry out any production or manufacture of their own. The success of these Japanese organisations called "Sogo Shosha" or integrated trading companies, can be gauged, as Chisnall (123) notes, by the fact that they occupy five out of the top seven industrial groupings in the world.

It may be argued that they have effectively contracted out the production of the physical goods to concentrate on their core activity which is trading. This is the reverse of much of the European and American business practice, where such organisations may be either part of the parent organisation

or may work on a contract basis for them, arranging promotion, distribution or new market penetration.

Cannock (124) in his research, indicates that organisations are looking for more flexible and effective use of labour due to changing economic factors and new technological developments. He identifies a trend towards "self employment" as part of the new working relationship, between Employers and employees. He does not, however, distinguish between "core" and "support" activities and how a conscious decision to contract out all "non-core" business activities might affect profitability.

Atkinson and Meagher (125) in their survey of 72 organisations selected at random in different sections (Engineering, Food and Beverage, Manufacturing, Retail distribution and financial Services) found that 70% of the respondents had increased their use of "distancing" (replacement of direct employment contracts by commercial contracts) since 1980. Of these 90% had increased their use of sub-contracted support services.

Many modern business organisations are beginning to question whether the traditional approach of having complete control over all aspects of Production and Service is required, or even a desirable way to meet the Firm's objectives. Recently, there has been growth in the concept of the "vertically disaggregated" organisation. (126). This means that an organisation may contract out to other firms for manufacturing or other business functions. These changes have come about

due to the impact on corporate structures of recent changes in Technology, competition and the workforce. This view is shared by Fiore and Scrobel (127) who have forecasted a new international Economy in which production may shift to the third world while the developed countries turn to "flexible specialisation".

Bishop (128) notes that manufacturers are increasingly using outside contractors for their ware-housing needs in the U.K. This, he claims, gives the benefits of flexibility, savings in Management time and resources and improved return on capital which would otherwise, be tied up in buildings and plant.

White and Palmer (129) consider the likely impact of the British Government's policy of privatisation and the move to use outside contractors in the Public Service area. Their article is mainly concerned with personal issues, but it does tend to confirm the trend towards contracting out support services of any organisation, be it private or public sector.

Keenan and Thom (130) indicate that the need for flexibility is now widely accepted in Business circles and that this will have a large impact on Employer/employee relationships. In the future, there may well be a core group of full time functional employees for specific tasks in every organisation. In addition, there will be growth in the use of self-employed, agency personnel and sub-contracting of highly specialised or mundane tasks to others (outside of the core).

Beaumont (134) states that due to changes in the Economic and demographic climate (a shrinking and more mobile workforce), it is becoming more difficult for organisations to find and keep the "right" staff. People are more willing to move and are more inclined to do so. While Beaumont's article does not deal with contracting out directly as either a personnel or business option, nonetheless, it may be argued that in times of change and likely staff shortages, it merits serious considerations.

Soat (132) states that there are many advantages for large organisations in contracting out non-core business activities, such as a guaranteed continuity of service, lower wages scales and that profit may not always be the primary motive for hiring a contract service. Where requirements are specialised and all options have been considered, the best Management decision (most effective and efficient) may be to bring in a professional service.

To summarise the various writers' views on contracting out business activities, it may be stated:

- (1) The impact of Technology and Competition combined with Demographic changes (a shrinking, more educated and mobile work force) has forced Management to concentrate on the "basics" and to consider new and innovate ways to solve business problems.
- (2) Part of this new innovate approach, includes the concept of "contracting out" business activities to outside specialists. Many of the writers do not differentiate between "core" and "non-core" business activities, but indicate that a trend towards contracting out exists and may be a necessary element of flexibility and future business success.
- (3) The impact on the Host organisation of contracting out business activities, be they "core" or "non-core" has yet to be fully explored by writers in the field of Management. In considering the "contracting out" option, many organisations may need to re-assess their business goals and what business they are actually in.

3.3. Contract Catering in Ireland:

The concept of contract catering is relatively new in Ireland. It started in the early 1940s. Where contract caterers are employed, the management and operation of the catering service is transferred to an outside organisation. Contract caterers are individuals or firms who undertake the responsibility of operating and controlling a company's catering facilities within that company's guidelines for a specific fee. The host organisation employing contract caterers normally pays the operating costs of the catering service and in addition pays an 'operating' or 'Management' fee to the contract caterer. Contract caterers are usually engaged for a specific period of time, e.g. one to five years, after which the contract may be renewed or dissolved.

Companies offering a contracted service, may in general, be categorised as follows:

National:

Very large companies established on a national basis who are contracted to 50 or more clients and who have sophisticated management structures operating from regional or area offices.

Regional:

Companies with up to 20 clients who operate, within clearly defined regions.

Area:

Small regional companies with up to 10 contracts.

Local:

Companies operating from 1 - 5 contracts. They have a restricted management team and are usually privately owned.

Variations may occur within these categories. These may be due to the age of the company, specific policies or specialisation.

Range of Services:

Organisations providing a contracted service will offer varying services which may include some or all of the following:

Facilities, Planning and Design:

The Contract Caterer may advise on the layout and decor of facilities.

Selection, training and development of Personnel:

Recruiting, employment and training of permanent staff or the provision of temporary personnel during staff absence.

Purchasing:

The use of size to secure preferential purchasing terms.

Accounting:

The control, audit and performance measurement of single or multicatering administration functions.

Management:

The provision of catering management on site to control catering operations.

Management supervision:

The provision of senior personnel to advise and control management on site.

Nutrition and Dietary Analysis:

The provision of information and menus to meet any special nutritional and dietary requirements.

Most contract caterers are able to provide any single element of the general list above, but it is more normal for them to contract for the provision of a management service. In such cases, the host organisation, having provided the physical catering facilities (with or without the contractor's assistance) will contract with the caterer chosen, for them to supply a manager and staff to provide the required catering services. These services will include all the administrative aspects of running the facilities and will be accounted for, and supervised externally by the contracted company.

In 1984, C.E.R.T. (the State Training Agency) undertook a comprehensive Manpower Survey of the Hotel and Catering Industry. They divided the Industry into 12 different areas, one of which was Contract Catering. (See Appendix 4). In examining the results of the survey, it is noted that they do not include contract catering services provided by other sections of the Industry (Carriers, Hotels and Restaurants), whose contracts may be of short time duration ("one off") or take place only at certain times of the year. This type of Catering is more often referred to as "Outside Catering". The definition of Contract Catering in this case is restricted to those organisations who exist solely for the purpose of carrying out contracts.

For the purposes of this dissertation, it is proposed to apply the same definition of Contract Catering and to further restrict it to professional, well established legitimate organisations, and to ignore the "one man band" and "fly by night" operations, many of whom will only have small contracts, few employees and are not registered organisations paying taxes or making other contributions.

In 1988, C.E.R.T. published an updated report of the 1984 Survey. This report did not claim to be a definite survey (unlike 1984) as only a small sample of respondents were interviewed, but the authors felt it indicated likely future trends.

Principal findings of the 1984 C.E.R.T. survey. (1988
Figures in brackets).

There are eleven major contract catering firms (five major contract firms and one regional contract firm) employing 2,563 people (2,110). 140 are seasonal and 162 are casual employees, (250 casual staff). 50% of staff are employed in the kitchen area (no major change). The male/female split is 14/86 (no major change).

Most of the firms have their Head Offices in Dublin but the personnel employed by them may be deployed throughout the country (no major change). Most employees are permanent. (no major change). Total employment is expected to increase 5%, mainly in kitchen and management. (has fallen by 16% approx).

One third of establishments plan to alter the services they offer. Staff turnover is less than 2% (no major change). All senior chefs are trained. (no major change) Over 50% of other staff have formal training (no change). 40% managers are trained (figures unavailable).

A comparison of the 1984 survey and the 1988 findings would seem to indicate that in terms of numbers employed, the Contract Catering Industry in Ireland is shrinking. This does not necessarily mean that the Industry, as a whole, is shrinking, as technology, new work practices and different services, i.e. vending, may have been contributing factors. As it is now six years since the original C.E.R.T. survey was undertaken, and in order to obtain more accurate up-to-date information on manpower levels and the problem/issues of, the growth/decline of Contract Catering, role of quality, advantages/disadvantages of Contract Catering, it was decided to conduct a survey involving in-depth interviews, with a representative sample of Senior Management of the Contract Catering Industry.

3.3.1. Survey of the Irish Contract Catering Industry:

Initial research indicated that the original eleven Contract Caterers identified in the survey had been reduced to six (five National and one Regional Organisation). It was, therefore, decided to interview three representatives as a statistically valid and representative sample. The organisations were chosen on a random sample basis. The individual representatives interviewed are all senior executives in their respective organisations.

The interviews were conducted on a loosely structured basis and disguised only to the extent that there is a natural human reaction when being interviewed to try to please the interviewer and to assure him/her that his/her area of interest is of the most vital importance. These factors are well documented by Boyd, Westphall and Staach (133).

The interview content centred firstly on the original C.E.R.T. report (Appendix 4). This was then followed by a general discussion of the Firm's position in the Industry, its approach to the problem of quality and the advantages and disadvantages of contracting out Catering Services. The final part of the interview considered likely future trends. Appendix 5("Interview Content - Contract Catering Executives") indicates the type and range of questions asked. It must be emphasised that while all questions were asked, their manner and sequence were varied to suit the actual

circumstances of the interview. Respondents were encouraged to furnish additional information not covered by specific questions.

While the opinions of these Industry representatives may not be statistically valid, nonetheless, they are the "expert opinion" of senior Executives and can, as Nisbet and Watt (134) state, indicate important aspects which are not readily identified by statistical analysis.

The results of these interviews are discussed, as follows:

3.3.2. Manpower

3.3.3. Industry Position

3.3.4. Advantages/Disadvantages of Contract Catering.

3.3.5. Quality Assurance and the Contract Caterer.

3.3.6. Marketing Strategies

3.3.7. Use of Vending Machines

3.3.8. Industrial Relations.

3.3.9. Future Trends

3.3.2. Survey Findings: (Manpower) 1990

Manpower:

5 major Contract Caterers. 1 Regional Contract Organisation.

Employ 2,000 people approx.

20% (400 approx) are casual employees.

Categories of employment: Admin and Management (10%)

Production (25%) General Assistants (65%)

Male/Female split is 15/85.

In comparing the above figures with the 1984 C.E.R.T. survey and the 1988 revised report, it appears that as previously noted, that in terms of manpower, the Irish Contract Catering Industry is continuing to shrink. The respondents, while somewhat reluctant to give hard statistical information, indicated that the use of new technology, particularly in the kitchen areas, more productive work methods and larger number of part-time casual employees, has allowed a reduction in overall staff numbers. With regard to the growth/decline of the Industry, generally the respondents felt that a 'small amount' of growth had taken place but did not quantify exactly what amount this may be.

In terms of pay and conditions, there is a common wage structure throughout the Industry for General Assistants which had originally been negotiated with the I.T.G.W.U. (Irish Transport & General Workers' Union) in 1973 and has been regularly re-negotiated since. The last agreement has been signed in 1990. With regard to the other categories of staff, pay and conditions are generally negotiated on an individual basis.

With regard to staff training and development, all the respondents use a combination of College trained staff and in-house training programmes. Two of the respondents felt that many College trained staff (both Management and staff) lacked practical skills, especially in the area of production (kitchen). One respondent indicated that they were moving towards recruiting "raw" recruits, i.e. young people with a

good education (Leaving Certificate) and then training them on-the-job. This on-the-job training may be supplemented by short part-time courses at various Colleges.

3.3.3. Industry Findings: (Industry Position)

All of the respondents' Organisations' are members of the A.I.C.C. (Association of Irish Contract Catering). Four of the five National Contract Caterers are members. None of the respondents elaborated on the role and function of this organisation. It was "loosely" described as a marketing organisation and an opportunity to share information. The A.I.C.C. does, however, publish a one page advertisement in the Golden Pages (National Trade Telephone Directory) and does pay a Government training levy. The advertisement describes the association's members as providing in-house Catering services "of superior standards to a professional code of practise".

With regard to the number of contracts each organisation has, two of the respondents stated that they had 50+ and one 95+. All of the respondents indicated that the total number of contracts is just one indication of size and profitability. The actual size of the individual contract and type (level of services required) are more meaningful indicators. None of the respondents wished to elaborate on these individual contracts, except in the most general terms.

All of the respondents agreed that by far the most numerous and popular type of contract (with them) was the total management or cost plus contract. (See 3.4. Catering Contracts). One of the respondents had just two "Risk" on fixed price contracts and one other of the respondents had a number (not specified) of commercial contracts. A variety of questions were asked concerning the state of the Market, i.e. growth/decline and profitability.

Two of the respondents (50+ Contracts) stated that the market was very competitive and that expansion was very difficult, though not impossible to achieve. They both stated that many of the new contracts offered to them were of a "small volume business" nature and therefore, difficult to undertake profitably. The third respondent (95+ contracts) felt that while the market is competitive, it is still a growth one but that the greatest growth in the future may have to be achieved by expansion abroad into the U.K. and mainland Europe.

All three respondents targeted "corporate entertaining" as a future growth area. This is where client organisations entertain visitors and guests in their own factories/offices, rather than going out to a restaurant or hotel. This type of entertainment usually requires private (and separate) Diningrooms, more complex facilities and higher levels of personal attention and service than would normally be required or expected in the main dining areas.

All the respondents felt that it would be difficult for a major new competition to emerge from within Ireland, but that with the growing European integration (1992), it is possible that a major rival from the U.K. on Europe may 'Buy in' to the Irish scene. In addition, it was felt (by two of the respondents) that merger may take place in the near future and that within a few years the current five national organisations may be reduced to four or even less.

None of the respondents were prepared to indicate the total size of the "Dining out at work" population of Ireland or what percentage share of this market their organisation holds. It was not clear whether this was due to lack of knowledge or that it was felt to be too confidential a matter to divulge.

All of the respondents indicated that net margins were low and felt that the average R.O.I. was in the region of 2% to 3%.

3.3.4. Survey Findings: (Advantages and disadvantages of Contracting out Catering Services)

Questions were asked of the respondents concerning the type and level of services offered to clients. The purpose of these questions were to ascertain if the contract caterers themselves, believed in the concept of having a core business activity and leaving non-essentials to others. The author was also interested in finding out what the respondents felt their "core" business to be and what benefits and disadvantages a client might expect by having contract caterers rather than in-house services.

All of the respondents stated that their business activity was one of "service to the customer", and that this "service" was based on the provision of the catering product. As already discussed in Chapter 1, the catering product is both tangible and intangible and comprises of many diverse inter-related elements, such as Food and Beverage, service, image, atmosphere, value-for-money and customer participation. Chapter one (1) also indicated that the catering product must have the consumption of food (and possibly beverages) as a core activity. All of the respondents indicated that production of food and beverage is their "core" activity but that the other elements of the Catering Product are equally important.

All three of the respondents spoke strongly of the personal nature of their business activities and that the relationship with the client is all important. While each contract is individual, depending on client's requirements, all respondents felt that a good working relationship between the Catering Unit Management and staff and the host organisation's management and staff is vital for success.

Two of the respondents indicated that they were considering expanding the type and level of services offered within their contracts to embrace such areas as Contract Cleaning and Video film hire, but that these developments were being cautiously undertaken, so as not to affect the "core" activity. These respondents also indicated that these developments were, in the main, being prompted by customer request.

With regard to the overall benefits that a client would receive from using contract caterers, rather than "in-house" facilities, there was unanimous agreement amongst the respondents. It is, however, of interest to note that in the ranking of the importance of the potential benefits, one major difference of opinion emerged. One of the respondents (50 + contracts) stated that costs and cost control were the most important considerations for their clients with "quality being taken for granted". The other two respondents (90 + and 50 + contracts) indicated that quality linked to price is the most important consideration for the client, i.e. clients will pay extra for quality provided it is linked to value for money. Apart from this important difference of opinion, the benefits as outlined by the respondents can be listed, in general form, as follows:

- (1) Quality: The contractor can guarantee consistent quality because he is a specialist, with a long tradition in all aspects of catering. In addition, he has a large pool of highly trained and motivated management and staff. The quality level required is designed to match the clients' specific needs at a realistic cost.
- (2) Budgetary Control: The Contractor has a proven ability to control all costs and adhere to previously agreed budgets. This control process virtually eliminates all wastage and pilferage. Contractors are aware that contracts are for a limited period only and upon expiration, can be put out to tender again. This periodic review helps greatly in controlling costs and is far more

effective than a client's own operation attempting to reduce costs with the likely associated problems of "in-house politics" and redundancy.

- (3) Flexibility: The contractor can structure the service to the Client's exact requirements. There is, in addition, the capacity to either expand or contract the service as required without disruption.
- (4) Delegation: The client organisation is free of a time consuming administration function which is a drain on its resources and a diversion from its core activities. Day to day problems are delegated to a third party. This can help in Staff/Management relationships as it is less likely that the level of satisfaction with the Catering Service of a third party will directly effect Employer/Employee relationships.
- (5) Competitive Purchasing: The large scale of operations of the Contractor enables the purchase of raw materials at discounts unlikely to be obtained by the client organisation.
- (6) Staffing: The problems of recruiting, employing and monitoring the performance of Catering staff and ensuring service reliability are the contractor's responsibility. In addition, while the host organisation pay the actual wages and salaries of the contractors' staff, the pay rate is linked to the Catering Industry norms, rather than those of the host organisations. This can often mean substantial savings over an in-house catering operation where pay levels may be linked to the Industry norm of the host organisation.

- (7) Menu Monitoring: Contractors can supply a wide variety of innovative nutritious, well balanced, appetising meals, attractively served. Special dietary requirements can easily be facilitated and there is on-going communication between Contractor and Client with regard to menu variety and change as part of the contract.
- (8) Personal Service: Contractors offer a dynamic innovative market led approach to their clients' needs. The business relationship is seen as a personal one, i.e. a partnership between client and contractor. Contractors carefully monitor, on an on-going basis, their clients' requirements and levels of satisfaction and keep them informed of changes and trends in the market place. Contractors believe in flexibility and where, for example, differences of opinion or "personaility clashes" occur between host organisation and contractors' staff, the catering staff can be easily switched to another location (an advantage not shared by in-house caterers).

When it came to discussing the disadvantages of Contract Catering, the respondents, not surprisingly had little to say. Various opinions were expressed by the respondents and one individual indicated that there were no disadvantages at all. However, the following are a summary of the principal disadvantages that the respondents were in some manner, prepared to agree on.

- (1) Size of Host Organisation: For financial viability, the Contract caterer requires a certain volume of business. This may comprise of a "low" spend per head with large volume of personnel, or a "high" spend per head with a low volume of personnel, or a combination of these. In Ireland, many organisations are small in staff numbers and require "low" spend-per-head facilities. While none of the respondents indicated clearly how "small" a contract they would accept, or how large the potential market in "small" contracts is, nonetheless, they all agreed that a host organisation must be of a "certain" size before the advantages of a Contract with a large national catering organisation becomes feasible.
- (2) Loss of Control: The host organisation surrenders the day to day control of the catering operation to the contractor. This may mean a loss of flexibility in catering arrangements and the quality standards are those of the contractor, rather than the host organisation.
- (3) Staff: The loyalty of the catering staff is to the Contract caterer rather than the host organisation. This means that the staff do not necessarily identify with the mission, purpose and objectives of the host organisation, whereas in-house staff may be more likely to do so.
- (4) Food Cost: The food cost of an in-house operation may be lower, but this does not take account of administration and management costs.

- (5) Quality: While this is claimed as a major advantage of contract catering, it may also be a major disadvantage if the Contract catering quality levels are incorrect or inconsistent.

3.3.5. Survey Findings: (Quality Assurance and the Contract Caterer:

Questions were asked of the respondents concerning commitment to quality and approaches to quality control. (See Appendix "Interview context - Contract Catering Executives). These questions centred on the findings of Chapter 2 ("Quality") and in particular on the following aspects:

- (a) Level of commitment to Quality
- (b) Setting Quality levels
- (c) Setting Product and Operational standards
- (d) Checking performance and correcting non standard output.

All of the respondents (not surprisingly) claimed strong allegiance and commitment to Quality. However, during the course of the interviews, conflicting evidence emerged, with regard to the findings of Chapter 2 ("Quality").

(A) Level of Commitment to Quality:

The findings of Chapter 2 ("Quality") indicates that the highest levels of management must give active leadership in the development of a "Quality Culture" for any organisation. Part of this development is the preparation of a "Quality Manual" which provides an accurate description of the quality system (objectives, policies and plans). It is a first step in the establishment of a Quality Program. None of the respondents organisations have such a manual. One of the respondent's organisation (90 + Contracts) has a one page printed "Quality Statement" which appears to have been designed more as a promotional tool, rather than a serious statement with regard to the setting of quality objectives, policies and plans.

Responsibility for quality is seen as the responsibility of all in each organisation and, in particular, the Regional and Unit Managers. (This may mean the responsibility of none). None of the respondents indicated clearly that "Quality" is part of the cultural climate of their organisations. All of the respondents claimed that critical evaluation of all aspects of their operations takes place on an on-going basis, yet none conducted formal "Quality Audits".

One must conclude that while the respondents interviewed may have a genuine interest in quality, there is little clear documentary or other evidence to support their claims.

(B) Setting Quality Levels:

With regard to setting quality levels, one of the respondents stated that "Quality is taken for granted" and other factors, particularly costs are the key concerns. The other two respondents indicated that "value for money" is more important to their clients, rather than the lowest possible costs. All of the respondents indicated that they place a strong emphasis on a close client relationship and in this way, they build up a client profile and keen understanding of the market requirements of each customer. None of the organisations appear to have carried out any formal market research on the setting of quality levels.

(C) Setting Product and Operational Standards:

All respondents indicated that they had clear cut standards based on the key performance areas of raw materials, labour, environment and Plant and Equipment. In addition, there was general agreement that a full list of performance indicators would include the following:

- good quality food
- pleasant efficient staff
- cleanliness, hygiene
- menu variety
- decor and restaurant environment
- consistency

Raw Materials: Two of the respondents stated that they had clearly written specifications and procedures for the evaluation and purchase of all raw materials and nominated suppliers. It was further stated that due to the location

of a particular Unit, specifications sometimes had to be altered but that the principles remained the same. The third respondent relied on the expertise of the relevant Unit Management in evaluation and purchasing materials and in following strict budgetary guidelines. None of the respondents had documented evidence to show if these specifications were clearly communicated to all relevant staff and supply organisations. The inspection of in-coming raw materials appears to be based on cost control considerations primarily. Two of the respondents stated that (due in part to consumer demand) only fresh produce is used where possible. Two of the respondents indicated that their market research showed that more variety with a selection of health foods is becoming increasingly important. All of the respondents emphasised the importance of the consumers' views in selecting raw materials and menus.

Labour: With regard to staff recruitment, selection and training, a variety of opinions were expressed by the respondents. All of the respondents indicated that they recruit people for senior positions who are already trained. This training may be formal College training with experience or experience only. One of the respondents indicated that they intended to formalise training and that a Personnel Manager had recently been recruited. This organisation has also started to recruit young people with second level qualifications, to train on the job for Management positions in the company. This company feels that Hotel/College trained staff are too academic orientated and lack practical skills. Both of the other respondents indicated satisfaction with Hotel/College

graduates where possible. All general staff are trained on the job. All of the respondents indicated that a "positive attitude" was a key consideration in recruitment of all levels of staff. While a great deal of on-the-job training appears to take place, none of the respondents were able to indicate positively, if the on-the-job trainers were themselves trained to teach (on the job).

Two of the respondents stated that all levels of staff are encouraged to take part time courses to up date skills. This appears to be carried out on an ad-hoc basis rather than in a structured way.

Environment and Plant and Equipment:

With regard to the Environment and Plant and Equipment, all of the respondents stated that the opinions and financial constraints of the host organisation were the major factor. In many cases, kitchens and restaurants are inherited from previous administrations. Many host organisations are prepared to listen to suggestions to spend money and make improvements while some are reluctant to do so.

The Catering system generally used by the respondents is based on the traditional system with the addition of modern equipment and materials. If the host organisation is not prepared to make changes in the design of the kitchen and restaurant, then the contract caterers are prepared to work with what is given to them. All of the respondents stressed that an important aspect of the environment is the attitude of their staff and that during recruitment and training, careful consideration is given to this.

(D) Checking Performance and Correcting non-Standard Output:

All of the respondents placed strong emphasis on this factor. Control is generally exercised in the following manner.

- Financial - Each catering unit must submit weekly figures to Head Office. These must comply with agreed budgets.
- M.B.W.A. - All of the Units are visited on a regular basis by an area Manager and spot checked by senior Management. One of the respondents indicated that each area Manager has a checklist, of such factors as, hygiene, customer feedback, food quality, staff appearance and attitude. In addition, financial checks on cash and stock are made.
- Client Meetings - each contract caterer arranges a formal meeting with the host organisation from time to time to discuss progress and any problems that may arise.

It appears from these interviews that the contract caterers place heavy emphasis on an informal "close to the customer" approach allied to strict financial control to monitor progress and quality levels. While there may be little doubt about the effectiveness of the financial control and while quality levels may be adequate, one must question whether customer satisfaction is being monitored in an objective and structured manner. While two of the respondents use comment cards, they do not appear to be used in a structured way as part of a

larger and regular customer survey. None of the respondents gave evidence of a documented customer survey or the use of Quality Audits. As previously noted (2.10. A Quality Assurance Approach to Catering) a major problem with the use of compliments/ Compliments and Comment cards is that the customers taking part may be a small unrepresentative sample. In the main, the respondents tend to rely on the experience and observation powers of their Catering Unit Managers. While this may have some practical validity, it does not produce the necessary documented evidence a quality system requires.

With regard to correcting non-standard output, all of the respondents indicated that their policy is to act quickly to resolve problems and that the high level of face-to-face contact between customer and contractor makes this a relatively simple matter. None of the respondents hold documented evidence of customer complaints or compliments and none have organised quality improvement programmes.

3.3.6. Survey Findings (Marketing Strategies):

Each respondent's organisation has its own particular methodology of marketing. These methods included maintaining a high public profile in the media which helps generate enquiries, Sales representatives on the road making calls, the use of mailshots and word of mouth (endorsements from Host organisations). All respondents indicated that they had a wide portfolio of organisations including both the public and private sector.

3.3.7. Survey Findings: Vending Machines:

All respondents indicated that they have used vending machines and that host organisations with "shift work" systems were the most likely sites for them. They all indicated that vending machines are not popular with users as a means of providing meals, usually because of bad experience in the past. They are, however, considered to be very cost effective because, they allow greater flexibility in the use of contract catering staff, rigidly enforce portion control and may have a payback period of little more than one calendar year. All of the respondents indicated that they are a partial solution only, to the problems of providing catering services. One of the major drawbacks indicated by one respondent is the lack of the "personal touch" and the, to date limited menus (of acceptable quality) that vending machines can provide.

3.3.8. Survey Findings (Industrial Relations)

(A) Are Pay and Conditions similar to "in-house" Caterers?

All of the respondents indicated that levels are similar between all the large contract Catering Organisations. They also considered that in-house pay rates were generally higher, reflecting that of the host organisations wage level, rather than that of the Catering Industry.

(B) Do you have a pension plan for Employees?

One of the respondents has a contributor scheme, while the other two have none. The number of eligible staff who participate in these schemes appears low. No reasons were given as to why this situation occurs.

(C) What happens in a redundancy situation?

When a contractor loses a contract, it is normal for the Host Organisation to pay the redundancy costs for the contractors staff. This is usually a clause of the signed Contract between Host Organisation and Contract Caterer.

3.3.9. Survey Findings (Future Trends)

While there was some diversity of opinion about future trends for contract catering, especially with regard to the area of growth, the following is a list of the most likely developments as perceived by the respondents.

- Growth in the area of smaller contracts, which will be more "up market" and may involve corporate entertainment.
- Growth in the use of new menus, and products that promote "healthy" dietary habits.
- More amalgamations of Contract Catering Firms, with fewer, larger national organisations.
- Development of "Theme Restaurants" and the demise of "Staff Canteens" with the focus on catering facilities as part of a wider social centre for staff.
- Development of staff training programmes, both in-house and in association with Educational Institutes.

3.4. Catering Contracts:

Due to the diverse nature of the various organisations (Host) requirements, no standard form of contract exists. However, the following is an indication of the types of contracts that are available. They are based on the concept of a range of services being on offer with a basic provision of each that it is a Management service, and that all elements are open to negotiation.

(1) Total Catering Contract ("Cost Plus")

The Host organisation employs the contractor to provide a total catering service using the contractor's own management and staff. The contractor, having been provided with the necessary facilities and equipment, will administer the operation in all respects. The contractor will submit a monthly account to the client. This will identify all aspects of expenditure and income associated with the operation. (The difference between the expenditure and income, including the contractor's fee, will be payable to or from the contractor). This type of Contract is also referred to as "Cost Plus", i.e. the host organisation pays for the cost of the operation 'plus' a fee to the caterer.

(ii) Management contract.

As (i), Total Catering Service, but with the host organisation providing, at his expense and on his terms and conditions, all staff necessary to perform the operation except the manager who shall remain in the contractor's employment.

(iii) Fixed Price ("Risk")

The contractor will estimate the cost of the total provision of catering services over a pre-determined period and charge the client an agreed sum. This form of Contract, often referred to by contractors as 'risk', is totally dependant for its success upon the qualifying or exclusion terms of the agreement.

(iv) Commercial:

Following the principles of the Total Catering Contract or Management Contract, the contractor agrees to operate the services required by the client and relies for his income on his ability to manage and improve performance in excess of, for instance, break-even.

(v) Concession:

The contractor undertakes to manage an operation and rely for his profit on his ability to maintain income levels over expenditure levels. The contractor may pay a premium or rent for such an opportunity.

Contractors' Charges:

Contractors generally obtain their profits from two sources: The feed charged and discounts accrued from food and materials supplied to the clients operation.

(A) Fees:

The fees can be made up in a number of ways:

- (a) a set annual figure paid on a weekly or monthly basis.
- (b) a percentage of income or expenditure.
- (c) a combination of both income and expenditure, with perhaps, different percentages applying to various sections of expenditure.

(B) Discounts:

Contractors may supply food and/or materials to an operation above, at or below wholesale prices. In view of their purchasing power, they will have negotiated various discounts from their suppliers. The volume or extent of discounts may vary from operation to operation. The discount for any single operation can vary from 0 - 10% of total purchases. This area of the cost of food charged to the host organisation is often the subject of serious negotiation, debate, and sometimes, outright disagreement. In England, a group of small independent contractors decided to pass on the benefits of all discounts to their clients. (135). The three largest contractors claimed that this was merely a marketing ploy, as the independents, due to their small size, receive only minimal discounts in the first place.

In general, the income a contractor receives from any single operation, is based upon the size, level of involvement and risk. Having estimated the expenses and required income, the contractor may offer the client a low fixed fee and keep all the discounts to make up the expected income figure; or offer a higher fixed fee with the client being returned a share of the discounts. It all depends upon individual negotiations.

3.5. Future Trends in Contract Catering in the U.K.

In examining likely future trends in Contract Catering in Ireland, it was decided to investigate developments in the U.K. While the British Market is different from the Irish one in terms of infrastructure and size, nonetheless, many of the businesses, political and economic developments are broadly similar.

Developments in the U.K:

Sutcliffe, one of Britain's largest Contract Caterers in 1990 (136) published the results of a survey and research project of their clients' outlets (Restaurants contracted out to them by host organisations). The research was carried out by an independent organisation, Taylor Nelson Research. They surveyed 1,000 people in total, 900 staff members and 100 members of Management. The aim of the research was to assess the "importance of food" as a motivating factor as part of general working conditions. Management were asked what they thought the staff found important and then the staff were asked themselves. As with so many similar surveys carried out in the past, there was a divergency of views between what Management thought staff found important and what staff actually stated as being important to them. Staff stated that a "good" staff restaurant was second only to a good working environment. Management rated it fifth, behind such items as car parking and vending facilities. Quality food was seen as the priority by staff. Both Management and staff agreed on the importance of value for money with staff rating it second and management rating it first. Friendly and efficient service was also rated highly.

Sutcliffe states that the results of this survey show that the staff restaurant is vitally important but that supermarket competition and increased dining out, means that staff restaurants must improve in the key areas of value for money, quality of food and level of presentation. While the Taylor Nelson Research Organisation is highly regarded, one may, nonetheless, be tempted to question the motives and terms of reference of this piece of research. The Sutcliffe Catering Organisation have naturally a 'vested interest' in proving that a food service is a most important factor in motivating staff. Its value may lie in indicating that even, with regard to such non-core activities as the Catering Service, Management and staff may have very different views.

Garry Hawkes, Managing Director of Gardener Merchants, Britain's largest contract Caterer, in an interview in 1989 (137) stated that while the industry is not capital intensive, unlike the hotel industry, that the requirements of modern day contract catering has lead his organisation to set up their own training facilities where staff are trained, regardless of prior formal qualifications. The purpose of this training is to raise standards to a uniform level as specified by the Company. To date, this training has centred on the production areas (kitchen). Hawkes (138) is also on record as stating that contract caterers provide more than just a meal, that through a "caring approach", they make staff (of the host organisation) feel good in the middle of the day and that this makes a positive contribution to good staff/labour relations.

Mtirling Gallagher, the boss of Sutcliffe Catering, Britain's third largest contract caterer, echoes Hawkes' comments that it is not a capital intensive industry, but feels that the important considerations for the 90's will be to have a "customer orientated approach" to client requirements backed up by strict attention to quality and image. (139).

In recent years, particularly in Britain, under the leadership of Prime Minister, Margaret Thatcher, there has been a move towards "privatisation", that is the selling off or contracting out of services previously promoted by local Government (140). This trend has spread to Ireland, albeit more slowly. Even in Britain, the Government decision to privatise is being implemented slowly, especially in the area of local authority catering (Schools, Hospitals). However, Contract Catering Industry representatives feel that local authorities are now more focused on "tendering" (contracting out) and will do so out of conviction and not compulsion (141).

The London Times, in an article on 4th August 1987, titled "What's Cooking in Catering", noted the huge increase in contract catering between 1977 - 1983. It estimated that growth would continue, albeit more slowly due to two factors. The first was the growth in the trend of contracting out non-core activities and secondly, that in organisations with highly paid staff and benefit packages, equally generous packages may have to be negotiated for Service Personnel, such as catering and cleaning. To cut down on expenses, it would appear more economical to contract out these services.

In Catering, no less than in any other area of Management, the best results are unlikely to be achieved unless the organisation concerned has formed a set of objectives and clear responsibility has been given for deciding on policy and seeing that it is implemented. The Ashridge Survey (142) indicates that where Catering is concerned that responsibility for policies and decision making for catering facilities, may vary enormously from firm to firm. This survey indicated that most organisations tended to make decisions at local level (82%) and only a few organisations (13%) had a written policy on catering. Additionally, Catering was mentioned in only 23% of the Corporate Plans of the various organisations.

The result of this survey would seem to indicate that, while many organisations still manage their own Catering services, that in no sense are the Caterers an integral part of the Management team. The survey also indicated that there is widespread agreement (86%) on the positive contribution that catering may make to good industrial relations and staff morale. The survey also noted that respondents did not, in many cases, know the percentage of total annual payroll that the total cost of catering represented - i.e. they did not know the true financial cost of the Catering Service.

The Ashridge Survey and the comments of the various industry leaders would seem to suggest, that the real value of contract catering to the host organisation ultimately, depends upon the level of consumer satisfaction. If quality and satisfaction are rates "low", it is likely that the image of the

Company will suffer. In addition, where standards are below expectations, usage will decline and whatever additional productivity firms may expect to derive from the Catering service will disappear.

In terms of profits and performance, the latter half of the 1980s has shown that the large contract caterers in Britain have improved their positions, both in terms of turnover and profit. (143). It should be noted that actual turnover has to date, shown only a small increase, the real success has been in converting more of the turnover into profits. However, in addition to this, the potential for growth and increased market share may be very positive. Gerrie (144) states that contract caterers have only 30% of the £4 Billion that it is estimated, is the true value of feeding the U.K's workforce at their place of employment. The reverse is the case in the U.S.A. with 70% of catering contracted out.

This would seem to indicate that a huge 'untapped' market remains for Contract Catering Services in the U.K. and that a major challenge for all Contract Catering organisations must be to increase their market share.

3.6. SUMMARY AND CONCLUSIONS:

This chapter commenced with a Literature review on the concept of contracting-out business activities, as an innovate and flexible approach to solving business problems in general, by freeing management to concentrate on the business core, to ensure future success. The principal findings of the review indicate that technology, competition and demographic changes in recent years, have forced Management to concentrate on 'essential' activities. As a result there is a definite trend in contracting-out many activities formally undertaken in-house. One major advantage of the "contracting out" option may be that it allows the exercise of control without the requirements of ownership. The impact on the host organisation of contracting out business activities has yet to be fully examined by writers in the field of Management, but in considering the "contracting out" option, many organisations may need to re-assess their business goals and objectives.

Contract caterers are organisations who undertake the responsibility of operating a Firm's catering facility, within guidelines, for a specific fee. Organisations offering a contractual service may range from an individual with just one contract, to large national Firms with 50 or more contracts. Services provided by Catering contractors, may range from planning facilities, staff recruitment, purchasing, accounting and budgetary control to supervision and management.

In Ireland, (where contract catering developed in the 1940s), there are five large National contract catering organisations and one regional company. In addition, there are many very small organisations, many of whom have small contracts, few employees and are not registered organisations. This thesis is restricted to the professional, well established, legitimate organisations. The Contract catering industry employs 2,000 people approx. of which over 80% are female. Pay and conditions of work are negotiated with the Unions for general staff while Management and Chefs negotiate on an individual basis.

There are no formal structures for staff training or development within the Industry, however, a mixture of in-house and College based training is the norm.

Four of the five National contract caterers are members of the A.I.C.C. (Association of Irish Contract Caterers) which seeks to promote the industry in a general way.

There are no standard Forms of Contract. Catering contracts vary from 'cost plus', where the host organisation pays for the cost of the operation and gives a fee to the caterer, to "concession" where the contractor relies for profit, on his ability to manage the restaurant and pays a fee (rent etc) to the host organisation.

In order to ascertain the size and value of Contract Catering in Ireland and to gain that Industry's views on future developments, role of quality, advantages/disadvantages of Contract Catering, an in-depth survey of a representative sample of Senior Executives was undertaken.

The survey indicated that the Irish market is very competitive and that future growth lies in the area of smaller more "up-market" contracts and expansion overseas. It is of interest, however, to note that, none of the respondents were able to indicate the total size of the "dining out at work" population of Ireland or what percentage share of this market, the contract caterers hold. They indicated that the future focus on catering facilities will be as a central part of the social structure of the (host) organisation. This will involve a high level of commitment to quality and value for money. Evidence of this high level of commitment to quality assurance is, to date, sparse. None of the respondents' organisations appear to have a documented system of organisation for the implementation of a Quality programme, or for assessing consumer satisfaction with current product offerings.

All respondents stated clearly, that their primary business is one of service to the customer and that the "customer relationship" is all important. The core of this relationship is the provision of the meal experience which can be tailored to suit the exact requirements of the host organisation. The advantages of contract catering are seen as, quality,

financial control, flexibility, delegation, competitive purchasing, staffing, menu monitoring and a high level of personal service. The disadvantages (for the host organisation) may be loss of control, staff loyalty, higher costs and the imposition of the contractor's quality levels, rather than those of the host organisation.

The marketing of Contract catering in Ireland involves a variety of methods such as media exposure, sales representations, mail shots and endorsements. The main customers for contract services, are the large Institutions, Banks, Hospitals and privately owned factories and offices. Since, as already noted, none of the respondents appear to have a clear knowledge of the size of the Irish market, this is an area which may be ripe for improvement.

In examining likely future trends in Contract Catering in Ireland, it was decided to investigate developments in the U.K. While the British market is different from the Irish one in terms of infrastructure and size, nonetheless, many of the business, political and economic developments are broadly similar.

Developments in the U.K. indicate that the potential for growth in Contract Catering is enormous, due to the Government policy of privatisation, the trend towards contracting out noncore business activities and the small share of the total value of feeding the U.Ks workforce at their place of work, that the Contract Catering Industry currently possesses. In addition, there are clear indicators that the true value of

Contract Catering to host organisations ultimately depends upon the level of consumer satisfaction generated. There is a clear link between quality and value for money, and this is essential for commercial success.

In conclusion, it may be stated that the Irish Contract Caterers rely heavily on the experience and observational powers of their management, strict financial control, and on a close personal relationship with their clients to ensure adequate quality levels and business success. It must be open to question, whether this approach, which may have been successful in the past, will continue to be successful with the advent of 1992 and the greater integration of Europe, which will lead to a potentially larger market and increased competition.

Chapter 4

Research Methodology

4.1. Introduction:

The principal objectives of this dissertation are:

- (1) To examine the concepts of Quality Assurance and the Catering Product.
- (2) To analyse the growth in contracting out non-core business activities, with specific reference to Catering.
- (3) To evaluate and compare the quality of the Catering Services in selected organisations with particular regard to the host organisation and the consumers.

This study is exploratory, to investigate whether the findings in the literature review are applicable in an Irish situation and also, to measure the difference, if any, in the customers (Host Organisation/Consumers) perceptions of the quality of the Catering product as provided by the Contract Caterer or in-house.

4.2. Methodologies:

A variety of Research Methodologies were used in this dissertation. They are as follows:

Literature Review

Interviews

Quality Audits

4.4. Interviews:

Three individual sets of interviews were used during this work as part of the research methodologies.

The first use of interviews was as part of a survey of the Irish Contract Catering Industry. This consisted of in-depth loosely structured interviews with a representative sample of senior Managers in the Industry (Chapter 3 'Contract Catering, Section 3.3.1). Of the five major Contract caterers in Ireland, interviews were conducted with three firms. The purpose of the survey was primarily to gain information towards achieving the objectives of this dissertation and in particular, to analyse (from the Contract Caterer's viewpoint) the development of Contract Catering, the role of quality, future trends, and the advantages/disadvantages of Contract Catering as a business option.

Interviews were also used as part of the "Quality Audit" of the Catering Facilities of the selected organisations. The organisations were chosen on the basis that their 'core' business was broadly similar, but that by contract, the Catering Function is managed by Contractors in one Firm and by in-house Caterers in the other. The objectives of the interviews were to compare and contrast the levels of consumer satisfaction and to indicate what effects, if any, contracting out the Catering Function has on the consumers' perception of quality. (See 4.5.1. "Quality Audit/Consumer Questionnaire").

Finally, interviews were used in assessing why Senior Management of the Organisations surveyed, decided to use/not use Contract Caterers and their views on, quality assessment criteria, role of catering, contractor assessment, and likely future trends. (See Appendix 6, Senior Management Interview).

4.5. Quality Audits:

As previously discussed in Chapter 2 ("Quality" Section 2.9.), a Quality Audit is an independent evaluation of Product Quality to determine its fitness for use and conformity to Customer expectations. This definition may be enlarged to embrace an audit of the Management system to ensure it also operates to an agreed standard.

This enlarged definition of a Quality Audit is used in this dissertation. For an Audit to be successful, it must have agreed objectives (Chapter 2 "Quality" Section 2.9). For the purpose of this dissertation, it was decided that the main objectives of the Audit would be:

- (a) An examination of the level of Consumer satisfaction with the existing product offering.
- (b) An examination of the ability of the Caterer to reliably provide the required quality levels.

It should be noted that these objectives are interactive.

4.5.1. Quality Audit (Consumer Questionnaire)

In order to achieve the objective set out at "A", it was decided to conduct in-depth surveys (using questionnaires) of a representative sample of respondents in each organisation. Chisnall (147) has noted that accurately measuring attitudes and motivation is extremely difficult. To help overcome this, it was decided to apply the semantic differential scale to questions where appropriate, and to sum the answers, in order to give a rating of consumer satisfaction with the various aspects of the Catering product.

The Questionnaire content centred, in general, on the findings of the literary Review of Chapter 1 ("The Catering Product"), Chapter 2 ("Quality") and Chapter 3 ("Contract Catering").

Firstly, questions were asked on the six basic elements of the Catering Product as identified in Chapter 1, ("The Catering Product"). They are, Food and Beverage, Service, atmosphere, image and facilities, value for money and customer participation. Questions were also based on the "sample service audit form" as identified by Martin (148) in Chapter 2 ("Quality"). He identified sixteen different dimensions of service quality and stated that while key indicators for these dimensions may vary from restaurant to restaurant, depending on type, that they must be specific, observable and measure the outcome of the customer service encounter, and that a rating scale should be used to record each indicator's frequency of occurrence.

The sixteen different dimensions of service quality are as follows:

Aocommodation, anticipation, timeliness, organisation, communication, customer feedback, supervision, attitude, attentiveness, tone of voice, body language, tact, naming names, guidance, suggestive selling, problem solving.

While this Audit form was primarily constructed as an aid to Management in assessing quality levels, it may be argued that it can be used as part of a questionnaire constructed to aid customers in quantifying their perceptions of the quality of the restaurant product.

Finally, the performance indicators as identified by the Contract Caterers (Chapter 3 "Contract Catering", Section 3.3.5) of: Good Quality Food, pleasant/efficient staff, cleanliness/Hygiene, Menu Variety, Decor/Restaurant Environment and consistency, were also incorporated in the questionnaire. Respondents were also encouraged to furnish additional information by the addition of a "General Comment section" in the Questionnaire. The purpose of this was to allow customers indicate variables of satisfaction, not necessarily covered by the Questionnaire. (See Appendix 7 Quality Audit - Consumer Questionnaire)

Definition of Population:

A vitally important aspect of any survey is a clear definition of the population to be surveyed (149). This definition should be clearly understood and agreed by all those taking part in implementing the survey. Populations by be widespread and fairly general; for example, women in the age group 21 - 25 over the whole country. On the other hand, populations may be highly specific, as in the case of lecturers in the subject of genetics working in Colleges within a ten mile radius of Dublin. The population to be surveyed in this dissertation is highly specific and may be expressed in terms of a "typical customer profile", i.e. age, background, occupation and income. In this survey, all of the restaurants are "closed shops" in that normally members of the general public are not admitted. The restaurants usage are restricted to employees of the Host organisation. It was, therefore, decided to use a structured (quota) sample based on gender, age and position which was in proportion to the total population using the restaurants' facilities.

Pilot Test:

In order to check the validity and accuracy of the questionnaire prior to carrying out the surveys, it was pilot tested. The pilot test was carried out in the training restaurant of the Dublin College of Catering, on three separate occasions, on groups of final year degree Management students. The process of Pilot testing in the questionnaire proved to be very valuable in clarifying the form and the wording of individual questions. As a result, some questions were

radically changed because it became clear, that respondents failed to comprehend the subject matter. (a copy of this questionnaire may be seen in Appendix 7).

In addition, the process of pilot testing also gave greater clarification to the whole purpose of the survey itself.

A major objective of any questionnaire must be to keep it as short as possible to facilitate respondents, while avoiding the deletion of any vital questions. As a result, the original questionnaire which comprised of over forty questions has, by re-wording and re-positioning, been reduced to twenty six, while still retaining all of the essential elements necessary to meet the objectives.

4.5.2. Quality Audit (Management System)

In order to achieve the second objective of the Quality Audit, an examination of the ability of the Caterer to clearly provide the required Quality levels, it was decided to examine the Management system of each Catering Unit. The purpose of this examination was to indicate if the Catering Unit operated to an agreed performance level, specifically in the setting of product and operational standards and in the checking of this performance and correction, where required, of non-standard output.

The design and content of the Audit checklist centred, in general, on the findings of the literary Review of Chapter I, 2 and 3, and in particular, on the guidelines for auditing as laid down by the National Standards Authority of Ireland (N.S.A.I) (150) and the International Standards Organisation (I.S.O) (151). These audit guidelines are general and applicable to all service Industries and have an implied acceptance, although there is clearly some "drag" in relationship to the catering product as a whole.

In order to focus the Audit more closely on the Catering product, particular regard was paid to Martin's concepts of the sixteen Quality Service Standards as previously discussed in this Chapter (4.5.1). In addition, the findings of Chapter 2 ("Quality"). "A Quality Assurance System for Catering" were also incorporated. These findings clearly indicated the importance of observation and M.B.W.A.

(Management by Walking Around (152). The Audit checklist discussed here is a form of M.B.W.A. It requires the auditor, not only to walk around and observe all activities, but it provides a structured format for this examination which may be particularly useful for comparison purposes.

A copy of this Audit checklist may be seen in Appendix 8.

Chapter 5

Research Findings.

5.1. Introduction:

This Chapter firstly reviews the particular organisations chosen for the Primary Research. The Primary Research consisted of:

- (a) Indepth interviews with Senior Management who, in their respective organisations, are responsible for making decisions as to the contracting out option for non-core activities. (See Appendix VI "Senior Management (Host Organisation) Interview Content").
- (b) The 'Quality Audit' of each individual Catering organisation (See Chapter 2 "Quality" Section 2.9). This consisted of an examination of the Catering Management System and a survey of consumer satisfaction. (See Chapter 4 "Research Methodology" Sections 4, 5 and 4.5.7).

Secondly, the findings of the Primary Research are examined and compared with the findings of the literature review of Chapters, ("The Catering Product"), Chapter 2 ("Quality") and Chapter 3 ("Contracting out Catering Activities"). The purpose of this is to comply with the objectives of this dissertation (See Chapter 4 "Research Methodology", Section 4.1) and to investigate whether the findings of the literature review are applicable in an

Irish situation and to measure the differences, if any, in the perceived levels of Quality of the Contract Caterer in comparison to in-house Catering.

5.2. Participating Organisations:

As previously stated (Chapter 4 "Research Methodology" Section 4.4), organisations were chosen on the basis that their 'core' business activities are broadly similar, but by contrast, the catering function is managed by Contractors in one firm and by in-house Caterers in the other. A total of nine different Organisations with thirteen separate and distinct Catering Facilities (Restaurants) were surveyed across a broad spectrum of Financial Institutions, Sem State Bodies and Manufacturing Industries. Between them, these organisations provide catering facilities for approximately 6,000 people on a daily basis. They are all based in the Dublin area, and each provide a luncheon service. (See Table 1, this Chapter, between Sections 5.2.3 and 5.3).

It was decided not to approach Hospitals or Welfare Institutions, as it was felt that their special requirements might introduce a new variable, making analysis, particularly of the quality audits, difficult to compare with the other participating organisations. Both types of institutions have features which are quite distinct from commercial and industrial organisations which

involve, not only the dietary requirements of the users, but also the environment in which Catering services are provided.

A final factor in selecting the various organisations was their large public profile. All of the organisations selected are well known, well established and publicly perceived to have attained high levels of excellence in their core activities.

5.2.1. Financial Institutions:

Initial research indicated that in the area of Financial Services (Banking, Insurance), two of the largest Banking Groups in Ireland have different approaches to providing Catering services. In one, all of the Catering is contracted out. In the other, the majority (90%) of the Catering is provided in-house, but the remainder is contracted out. It is of interest to note that the contracted out catering facilities report to the Catering Manager of the in-house Catering Services, so in effect, all of the Catering, whether contracted out or not, is the responsibility of the in-house Catering Manager.

In addition to the two Banking Groups, one of Ireland's largest publicly owned Insurance Companies was also surveyed. In this organisation, all Catering facilities are provided in-house.

Finally, the headquarters of one of the larger building societies was surveyed. In this organisation, all Catering facilities are contracted out.

5.2.2. Semi-State Bodies:

Two semi-state bodies were selected. While it may be debated as to how broadly similar the core activities of any of the semi-state bodies are, nonetheless, there are many areas of overlap. All are operated under the same Acts of the Oireachtas and in the case of the two selected for this thesis, both are heavily involved in research and development and, in addition, the Management and staff structures are identical, including grades and salary scales. In one of these organisations, all of the Catering Services are contracted out while in the other, in a similar manner to one of the Banks, 90% of the Catering is provided in-house, while the rest is contracted out. However, unlike the Bank the Contract Catering Manager does not report to the Catering Manager of the in-house Catering Service.

5.2.3. Manufacturing Industries:

Three Manufacturing Industries were selected. Two are based in the Computer/Communications Industries, while the third is a large brewing concern. The brewing organisation was selected because over the last 2½ years, since this research started, they have moved from an in-house Catering system to the use of Contract Caterers. In conducting the Quality Audit of this organisation, the Consumer questionnaire was omitted at the request of Senior Management, who deemed it "sensitive at this point in time". Nonetheless, the interviews with the Senior Management and the partial Quality Audit of the Catering

Management system, revealed valuable information and accordingly is included in the findings of the thesis.

With regard to the two Computer/Communications organisations, one provides its own in-house Catering and the other contracts out.

See table 5.1. for a Summary of the Catering structures of the organisations audited.

Organisation	Number of Catering Facilities		In-house	Contractor
Financial Services (Banking)	4		2	2
Financial Services (Banking)	1			1
Financial Services (Insurance)	1		1	
Financial Services (Building Society)	1			1
Semi State	1			1
Semi State	2		1	1
Manufacturing (Communications)	1		1	
Manufacturing (Communications)	1			1
Manufacturing (Brewing)	1			1
Totals	9	23	5	8

Table (5.1). Summary of the Catering Structures of Organisations audited.

5.3. Senior Management (Host Organisation) Interview Findings:

The second stage of the research process for this dissertation (following the literature review, the first stage) began by interviewing the Senior Management of the Organisations, who had agreed to take part in the survey. A similar approach was adopted as with the Watering Contractors (Senior Executives) interviews. (See Chapter 3 Contracting out Catering Activities, Section 3.3.1). The interview content (See Appendix) was designed to obtain the respondent's views and opinions on the advantages and disadvantages of contracting out as a business option and with specific reference to Catering. Follow-on questions were designed to elicit information and views on where the respondents felt their Catering operations, in relation to their core activities fitted in. Finally, questions were targetted on the concept of Quality and what criteria are used in evaluating the performance of the Catering operations in the various organisations.

It must be recorded that the respondents were extremely helpful and gave open and frank answers. However, a number requested that their identities not be revealed, as future plans that are currently being evaluated, might be compromised and while every effort was made to keep research findings as objective as possible, nonetheless, certain selective judgments had to be made with regard to information offered by some of the respondents.

Of the nine respondents interviewed, two operated a system of combined in-house and Contract Catering. Five of the respondents had all Catering facilities contracted out while the remaining two carried out all Catering functions in-house.

The results of these interviews are discussed, as follows:

- 5.3.1. Introduction
- 5.3.2. History and background of host organisation
- 5.3.3. Advantages of Contracting out
- 5.3.4. Advantages of in-house Catering
- 5.3.5. Disadvantages of Contracting out
- 5.3.6. Disadvantages of in-house Catering
- 5.3.7. Structure, importance and future of the Catering Function.
- 5.3.8. Evaluating the quality of the Catering Organisation.
- 5.3.9. Criteria for selecting a Catering Contractor.
- 5.4. Summary of Senior Management Interview Findings.

5.3.1. Introduction:

While the trend in contracting out non-core business activities is widespread in the U.S.A. and appears to be growing in the U.K. (See Chapter 3 'Contract Catering' Section 3.5), the respondents in this survey do not appear, initially, to be so unanimous in their views. The five organisations which have contracted out all of their Catering activities are firm supporters, but the other four (two have a combined system of in-house and contractor and the other two are entirely in-house) appear to have adopted a "wait and see" approach. This is particularly true of the two organisations which are operating both options. The main reason given, initially, for operating a combined system was in both cases, the need to provide services at locations where shift work was undertaken. The quality level of existing services was not considered a factor.

The findings set out below are an aggregate of all the views expressed:

5.3.2. History and Background of Host Organisation:

This was seen as a major factor in whether the Catering facility was currently contracted out or not. All of the organisations originally supplied Catering facilities (either in-house or by contract) as a social and paternalistic approach to their staff. As the organisations grew, so did the number of staff and the level of Catering facilities supplied. Today, all of these

organisations are highly unionised and problems of redundancy and/or re-deployment have to be seriously studied when considering the contracting out option. In each organisation that operates in-house Catering, the Catering staff enjoy the same basic remuneration package and privileges as all other employees.

The one respondent interviewed that did change from in-house to contracting out, stated, that by doing so, enormous sums of money, in terms of managerial time, materials and labour were saved. This respondent fully endorsed the findings of Chapter 3 ("Contracting out Catering Activities" see Section 3.6.) which clearly indicated that contracting out may allow the exercise of control without the requirement of ownership. It must however, be noted that this organisation is different in one respect from all other organisations surveyed, in that all the Catering facilities are free. In the other organisations, the staff pay a subsidised fee for the services provided. This subsidy can be best explained by examining the contract that normally applies between the host organisation and the contract caterer.

Where Contract Caterers are employed, the type of contract is, in each case, that of "cost plus" (see Chapter 3, "Contracting out Catering Facilities" section 3.4). This in effect means that the host organisation pays all the bills associated with the Catering Function. These are heat, light and fuel, Wages and Salaries, food and beverage costs. In addition, a Management fee is paid to the contractor. The host organis-

ation recoups some of this cost by charging the staff a subsidised price for meals. The prices charged to staff must normally cover food costs and make a small contribution to overheads. In effect, staff of the host organisation pay for the cost of the food. The host organisation subsidises the other costs associated with the Catering Function. The same approach is applied in the in-house Catering Organisations.

5.3.3. Advantages of Contracting out as listed below are an aggregate of the opinions of the respondents, it must be stated that they were most enthusiastically expressed by those who had already contracted out their Catering facilities.

- (1) Host organisation is free of the day-to-day routine time consuming administrative function. Saving of valuable management time is substantial. However, the respondents did feel that the host organisation must appoint someone (in a Junior Management capacity) to liaise with the Contract Caterer and ensure that the contract is being adhered to.
- (2) Identifiable cost control, Strict budgetary control on a weekly/monthly basis. The terms of contract stipulate the type of budgetary control required (i.e. food and staff cost). In addition, the contract caterer may pass on the 'savings' of bulk food purchase available to him. An individual firm would be unlikely to achieve the same level of discounts.

- (3) Staff recruitment is the problem of the Contractor.

This frees the host organisation from complex industrial relations as well as the task of integrating the wage structure of the Catering staff within the overall salary/wage structure of the host organisation. The salary/wage structure is that of the Catering Industry and not that of the host organisation.

- (4) Flexibility of Catering Service provided. The service can be quickly and early tailored to suit the exact needs of the host organisation on both financial and availability terms.
- (5) Quality. The Contract is for a limited time period and upon expiration, may be put out to tender. The tool of assessment has the advantage of keeping costs and quality to agreed guidelines.

5.3.4. Advantages of in-house Catering:

The advantages claimed for in-house Catering are somewhat similar to those of contracting out with the notable exceptions of cost.

- (1) By appointing a competent Catering Manager and devising agreed budgets, the host organisation is free of the routine time consuming administrative function.
- (2) Budget Control. Strict budgetary control on a weekly/monthly basis integrated into the host organisation's system.

- (3) Flexibility of Catering service provided. The service can be adapted to suit individual needs, particularly in the area of corporate entertainment which is widely viewed as a large growth area.
- (4) High levels of staff loyalty and commitment to the organisation.
- (5) Lower costs. This proved to be an area of very different views. Firstly, (and naturally) all respondents agreed that the host Organisation does not have to pay a Management fee to a Contractor. However, apart from this, there are different opinions on the issue of costs. One view (held by two respondents) is that where a large number of people are catered for (500 +), it is possible for the Catering department to cover more than just the cost of the food. While none of the respondents were prepared to elaborate on this, it does appear that this may well be an important consideration and reason why the contract out option is not exercised in these cases. On the other hand, where the Catering is of lower volume (less than 500), it appears that the cost savings on the in-house Catering service may be of a minor nature. Three of the respondents stated that they had conducted in-depth research into a cost comparison between in-house and contracted out Catering services and could ascertain little difference in costs regardless of volume. The final four respondents (including as already noted the Brewery company, Section 5.3.2) felt that cost is a major disadvantage of in-house catering.

- (6) Quality. Because of the commitment and loyalty of the Catering Management and staff and the greater levels of personal interest generally in the host organisation, quality will be greater than that of a Contractor who has no such ties.

5.3.5. Disadvantages of Contracting out:

While it might be expected that those organisations that currently provide their own Catering facilities in-house would list many reasons against contracting out, this did not prove to be the case. Their attitude appeared to be one of uncertainty rather than outright disapproval. The following are the opinions of the respondents:

- (1) Loss of control of an important social facility to an outsider.
- (2) Higher costs. Different views were expressed on this issue as already discussed. In summary, two of the respondents felt this to be the case, particularly when large scale volume (500 meals + per day) are involved. Three respondents felt there was little difference in costs, regardless of which option was selected and the final four respondents felt that cost was a major advantage of contracting out. (See 5.3.4).
- (3) Loyalty of Catering staff would be to a different organisation.

- (4) Quality. As with "oosts", different views were expressed on this issue. Those who had contracted out all catering facilities (5) felt that the nature of the contract (limited time period) maintained adequate quality levels. However, under deeper probing as the interview evolved, three of these five respondents indicated that a lack of consistency is sometimes evident. The two (exclusive in-house catering) respondents felt that while contractor standards are "high" initially, they eventually decline over time because the contractor has to manage more than just one Catering facility. This view underlines the comments made above by three of the respondents using Contractors. Of the two remaining respondents (exercising both options), both stated that there was no marked difference in quality or standards.
- (5) If the contractor was not successful, the organisation would be tied to a formal contract for a specific period with consequent problems in industrial relations.

5.3.6. Disadvantages of in-house Catering:

The five respondents who already have contracted out their Catering Services were the most vocal and forthright in their criticisms of in-house catering.

- 1) Host organisation must take responsibility for Management and organisation of an activity for which they may have little understanding. The Catering Management team cannot be easily changed (as they are full time employees of the host organisation) should problems occur.
- 2) Costs. As already discussed, there are a wide variety of views on whether it is cheaper to hire contractors or use in-house Catering. However, it was felt unlikely that an individual organisation would be able to purchase the food as cheaply as the Contractor who has the advantage of large scale purchasing power.
- 3) Staffing. This was seen as the major disadvantage of in-house catering. All of the organisations are unionised and as noted earlier in this chapter (5.3.2), the Catering staff enjoy the same basic remuneration package and privileges as all other employees. The salary/wage structure is that of the host organisation and not that of the Catering Industry, where traditionally staff are less well paid. In addition, the policy in all of the organisations surveyed, is to reduce, where possible, the number of employees and where in-house Catering is used, this can create problems with industrial relations.

- 4) Flexibility. While this was claimed as an advantage, it may also be a disadvantage if the Catering staff do not wish to comply with new arrangements for training, rosters, work loads etc.
- 5) Quality. The host organisation may not be able to exert much influence over standards as "sanctions" could lead to industrial relations unrest.

5.3.7. Structure, importance and future of the Catering Function

The respondents were asked to identify who is responsible for policy level decisions, e.g. strategic decisions on investment and subsidies concerning Catering in the organisation. The most striking feature of the responses was the extent to which responsibility for Catering policies was located differently across the organisations surveyed. In four of the organisations surveyed, the Catering Manager reported to the Personnel Department. In three other of the organisations, the Catering Manager reported to the Buildings and Maintenance Department, and in the final two organisations, the Catering Department came under the control of a Contracts Manager.

In most cases, there appears to be some doubt as whether a catering policy is planned by anyone. There appears to be a gap between policy making and decision taking. While not asked as a direct question, none of the respondents offered a written policy

document on Catering and decisions on such key issues as prices to be charged to patrons, seemed in most cases, to be decided by the Catering Manager (in-house/contractor). Only three of the respondents appeared to have strict written guidelines on menu pricing.

The degree of variability on the responsibility for the Catering Services in the Management structure in each organisation, is very marked. Hence, it is difficult to identify a typical pattern of Managerial Communication/Authority. There is no dominant approach to managing Catering Services. This would appear to indicate that the Catering function is not seriously considered by Senior Management to require well established and standardised systems of management reporting. These findings are very much in line with the findings of the Ashridge Study on Contract Catering in the U.K. (See Chapter 3, Contracting out Catering Activities, Section 3.5.).

In relation to the routine day to day control, the in-house organisations relied on the Catering Manager to manage all aspects of the Catering operation, i.e. purchasing, cookery, service stocks and cash and the creation and maintenance of quality levels. On either a weekly/monthly basis, performance is reviewed against a budget. The administration of payments to suppliers and staff is ultimately controlled by the in-house administration. The organisations who have contracted out their Catering services exercise control through the agreed budget and any deviations are discussed at regular Client/Contractor meetings. All the contractors provide detailed accounts which enable the costs incurred to be broken down and monitored.

Overall, it appeared that those organisations that employ contractors, were happier with their control procedures than those with in-house catering. This may be due to the high levels of bureaucracy in the organisations with in-house Catering where assembling the true costs on a distinct and separate base from other activities in the firm, may be difficult

With regard to the importance of the Catering facility, all the respondents felt that it was a "perk" offered to staff and to withdraw it, would create serious industrial relations.

Several of the larger established organisations also indicated that it was part of the 'Caring philosophy' of the organisation, and that many of their staff, particularly the young, would not eat properly if Catering facilities were not provided.

Finally, all of the respondents felt that "corporate entertainment" was becoming very important and that to be able to provide Catering facilities for this, without the loss of time (expensive executive time) in travelling to and from a Hotel or Restaurant, was a very important consideration.

For the future, none of the executives felt that the concept of providing a Catering Service would cease, except in the case of most severe financial troubles. One of the respondents indicated that this did, in fact, happen, in the case of one organisation (not part of this survey) in trading difficulties and that the management in this case, negotiated the sharing of Catering facilities with another firm located nearby.

While the history and background of the host organisation was seen as a major reason why the Catering function was currently contracted out or performed in-house (see 5.3.2, this Chapter), the reaction of the respondents to the question as to whether they would consider contracting out in the future, or continue in-house Catering elicited the following views. The five respondents who have contracted out the Catering facilities would not change to an in-house situation. They felt that by contracting out the Catering, a great deal of senior Managerial time and effort was saved while control of the facilities was still maintained. The two respondents operating both options indicated that they were constantly reviewing the situation and would not rule out increasing the use of contractors in the future. The two respondents who exclusively provide in-house Catering services indicated that currently, due to company policy and to the industrial relations situation, they would not move to Contract Catering, but they would not rule out the use of contractors at some future date.

5.3.8. Evaluating the Quality of the Catering Operation:

The respondents were asked to identify the systems and techniques used in setting and maintaining the required quality levels. In every case, word-of-mouth and personal visits to the dining facilities were the chief means of communications about standards. Quality audits, questionnaires or customer satisfaction indices were not used as tools of Management, in either setting or evaluating standards. All of the respondents indicated that the survey approach adopted in this dissertation, was the first structured approach to monitoring and evaluating standards. All of the respondents also stated that, while monitoring of Quality standards was not very scientific, it was very practical.

In the case of in-house Catering, the respondents indicated that the quality levels were set by the Catering Manager. The respondents felt that while they may not hear many compliments about the quality of the Catering, they would very quickly hear about complaints. The respondents stated that while there had been problems over the years, they were minor in nature and a normal part of any business organisation and that generally, "standards were excellent". They did, however, indicate that a change in the Catering personnel, especially at Management level, could leave them vulnerable in this area. One respondent explained

that the Catering Manager had been ill for a long period of time and during this time, there had been a noticeable drop in standards.

In the case of the two organisations that operate both systems, (in-house/contractor), the respondents felt that there was no major discernable difference in quality in either case, and that management and staff were "very happy" with the Catering service. Where contractors are employed, the quality level is set by agreement between the contractor and the respondent (part of the tender document). These respondents were somewhat more critical of the quality levels of the contractors, despite the fact that control of Quality was claimed as an advantage of contracting out (See 5.3.3). Of the five organisations with contracted out Catering services, only two expressed themselves as entirely satisfied. The other three respondents were dissatisfied to varying degrees. They indicated that a lack of consistency appeared to be the main problem. However, while they would consider changing contractor, they would not consider providing Catering facilities in-house.

While the apparent lack of an objective and structured approach to setting and maintaining quality levels, as was evident from these survey findings, may be viewed critically, nonetheless, the opinions of these senior executives are "expert opinions". They would appear to confirm that one of the findings of Chapter 2 ("The Catering Product"), viz. that for the customer, the quality of the Catering product is essentially subjective. This apparently applies, even to people who might be expected to apply a more objective approach. Senior Executives who are

responsible for large scale Catering arrangements such as allocating contracts, seem to lack what might be termed, a professional and objective management posture in this specific area of their Managerial responsibilities.

5.3.9. Criteria for selecting a Catering Contractor:

While this question applied mainly to those who had already contracted out, either all or part of their Catering services, nonetheless, the two respondents with exclusive in-house Catering facilities supplied criteria which they felt had application to any contracting out situation. The following is an aggregate of the respondents' views.

- : The long term success/failure of contracting out depends on the actual contract that is agreed and signed by both parties.
- : In choosing a Contractor, the best option is to put the contract out to tender and to invite a number of selected and interested contractors to make a formal offer. Word-of-mouth and the use of the Golden Pages Telephone Directory were seen as the best sources of contractors.
- : In the final selection of a Contractor, the following aspects are critical.
 - : Size of Catering organisation, i.e. number of contracts, number employed. Purchasing power and level of discounts available.

- : Management Structure - who in the Catering company is responsible for what? i.e. how many units does an Area Manager have responsibility for? How available are Senior Management, should a problem arise? Contract Caterers place great emphasis on their continuity of service at all times and the issue here is to determine whether or not the contractor can provide the services required.
- : History of the Catering Company. How long in business? How much experience has the company in providing services to clients of similar size?
- : Type of Contract that the contractor is prepared to offer. (See Chapter 3 "Contracting out Catering Activities", Section 3.4).

5.3.9.1. Tender Specifications:

In relation to tender specifications, the respondents identified this document as being at the heart of the matter in the final selection of the Contractor. The tender specifications sets out, in detail, the goods/ services which the host organisation requires and it follows that the Contract Caterer should be able to understand from the specification, exactly what is required and be able to prepare quotations on that basis.

The respondents identified the following key areas in the tender document which they regard as crucial.

- : Clear definition of the type of contract required with special emphasis on the treatment of discounts (See Chapter 3), "Contracting out Catering Activities", Section 3.4).
- : Review dates in the Contract to monitor and ensure that the Contractor operates efficiently and effectively throughout the period of the Contract.
- : Detailed Budgeting with regard to number and kind of staff, levels of pay and conditions.
- : Detailed budgeting with regard to meal prices and subsidies.
- : Definition of the service requirements, the menus, hours of opening and special functions.
- : In taking over from an in-house operation, the treatment of existing staff.

As may be seen from the above list, "quality" is not mentioned specifically, but all the respondents indicated that it was considered an inherent feature. One respondent said that the Contract Caterer should know, by virtue of his experience, what quality levels were required from the specifications in the tender document. In a similar manner to the monitoring of quality standards of an existing operation, the setting of specifications, seems scanty rather than comprehensive.

It may be argued that an important aspect of the tender document should be that the host organisation sets out, in detail, not only the goods/services required, but in addition, detailed quality levels and specifications and in this way a more accurate comparison of tenders and likely quality levels can be made.

5.4. Summary of Senior Management Interview Findings:

Nine Senior Managers were interviewed across a broad spectrum of financial institutions, semi-state bodies and manufacturing industries. Five of the organisations have contracted out all Catering services. Two operate both options and the final two are exclusively in-house operations. The history and the background of each particular organisation was identified as a major reason why Catering services are provided and how (in-house or contractor). Where contract caterers are employed the type of contract is in each case that of "cost plus"

The major advantages of the contracting out option were seen as the savings in valuable senior management time and in the total numbers of staff employed directly by the host organisation. Flexibility and control of costs and quality levels can be exercised through regular reviews and by the fact that a contract is for a limited time period only, after which it may be put out to tender.

The major advantages of the in-house option were seen as loyalty and commitment of the catering staff to the host organisation, which results in higher levels of quality standards on a consistent basis and (where large number are being cater for) at lower cost.

The major disadvantages of contracting out were seen as a loss of control of an important social facility to an outsider and potentially lower standards of performance. (see Chapter 5, "Research Findings", Section 3.3.5)

The Major disadvantages of in-house Catering was seen as the heavy dependence on the Catering Management team, by an organisation which had little knowledge of this specialist area. In addition, the general Catering staff are direct employees of the organisation and entitled to the same remunerations and general conditions as all others. As all of these organisations are highly unionised, industrial relations must be considered when Senior Management wish to initiate changes.

A review of the advantages and disadvantages of their option (Contracting out/in-house) indicates that while opinions are not unanimous, that with regard to overall costs, the majority view is that contracting out the Catering facility is the best option, and that with regard to quality standards, the majority view is that there is little difference.

Responsibility for Catering policies are located differently across the organisations surveyed. They include the personnel departments, Buildings & Maintenance Departments and Contracts Departments. There appears to be gaps between policy making and decision taking. Strict written guidelines are not much in evidence. Routine day to day activities are the responsibility of the Catering Manager.

The Catering facility is seen as a 'perk' and part of a 'Caring Philosophy'. Corporate entertainment at the work location is important and a growth area. For these reasons, Catering at the place of work is likely to continue for the future.

Asked as to their views on the future of Contracting out, the five respondents who have already contracted out all their Catering facilities were the most enthusiastic and would not consider an in-house option. The other four indicated that they were consistently reviewing the situation and would not rule out the option at some future date.

The systems and techniques used to set and maintain the required quality levels depend mainly on word-of-mouth and personal visits to the Restaurant facilities. All of the respondents claimed that while monitoring quality was not scientific it was very practical.

Finally, the views of the respondents were ascertained on the criteria for selecting a Catering contractor. In choosing a contractor, size, management structure, experience and type of contract offered, were seen as important. The tender document is seen as the "heart" of the contract. It must include clear information on; type of contract, discounts, review dates, budgeting and service requirements. "Quality" is not listed but is reviewed as an inherent feature. Given the importance the respondents attach to this document, it may be argued that this is a surprising omission.

5.5. Quality Audit Findings:

Following on from the interviews with the Senior Executives, a quality audit was conducted in each of the Catering facilities. This Quality Audit (See Chapter 2 'Quality' Section 2.9) can be viewed as two distinct, but inter-related parts. They are an examination of the ability of the Catering management system to reliably provide the required quality levels, and secondly, an examination of the level of consumer satisfaction with the existing product offered.

The format for discussion of the Audits will follow the actual procedures used during conduct of same. This consisted of, firstly, an examination of the quality of the Catering management system. This examination was based, in particular, on the findings of the review of Chapter 2 ("Quality") and the creation of a Quality Audit Checklist/Management system as outlined in Chapter 4 ("Research Methodology" Section 4.5.2). In summary, the checklist examines three broad areas which are Quality Policy, Setting Product and Operational Standards and Checking Performance/Correcting non-standard output (See Appendix "Quality Audit Checklist (Management System)).

In examining levels of consumer satisfaction, the findings of the literature review of Chapter 2 ("Quality") and the criteria for Quality Audit/Consumer Questionnaires (Chapter 4 'Research Methodology' Section 4.5.1) were incorporated. In summary, the Questionnaire addressed five areas of perceived quality which are Food, Service, Cleanliness and hygiene, decor and Restaurant environ-

ment and finally overall satisfaction. (See Appendix VII Quality Audit/consumer Questionnaire).

For reasons of clarity, the percentage figures quoted in discussion are those of the overall satisfaction of the respondent with the Catering Service. These figures are the summation of the answers to the question "Rate your overall satisfaction with the Catering Service provided". (2.2.Section E) under the headings of 'totally satisfied' and 'satisfied'. Where a large percentage deviation from this occurs, a more detailed explanation is given.

Finally, the results of each Audit are discussed on an Organisation basis as laid down at 5.2.4. (this chapter).

Financial Services (Banking):

As noted earlier in this chapter (5.2.1), two of Ireland's largest Banking groups agreed to take part in this survey. In one Bank, all the Catering is contracted out and all meals are served through just one outlet. The other Bank operates a larger Catering service through many different outlets. The majority of the Catering is managed in-house but two of the outlets are contracted out. These contracted out Catering Units report directly to the Bank's Catering Manager, so in effect all Catering facilities are under the control of the in-house Catering Manager.

The following are the results:

Management System (Bank 1):

The approach of this Bank to Catering can be summed up by stating that they buy the best equipment and systems, hire the best people and the under the direction of a highly experienced Catering Manager, they operate the service. It may be argued that Banks have lots of money and can afford to do this, but it may also be argued that with growing consumer sophistication, that organisations cannot afford not to take this approach. As the Ashridge Survey (Chapter 3 "Contracting out Catering Activities", Section 3.5) pointed out, that the real value of Catering (contract or in-house) to an organisation ultimately depends on the level of consumer satisfaction.

Catering policy is decided by the Personnel Department in agreement with the Catering Manager. Each Unit Manager is responsible for all aspects of his/her operation. Regular inspections are held. The Catering Manager emphasised the importance of 'common sense' approach to Quality and the value of having well trained and experienced staff to operate the system. There is no Quality manual or documentation that refers to Quality or Quality policy specifically, but there are strictly documented guidelines with regard to product and operational standards and the checking of performance. In a somewhat similar manner to the Contract Catering (See Chapter 3 "Contracting out Catering activities" Section 3.6) heavy reliance is placed on the experience and ability of the Catering management and staff.

The Catering Manager manages all his units from the same perspective regardless of whatever they are, in-house or contracted out. The main reason given for contracting out was the need to provide services at locations where shift work was undertaken. It appears that the present Union/Staff agreements would make in-house Catering at these locations prohibitively expensive.

Product and operational standards are broadly the same for each Unit (Restaurant). While equipment levels vary according to capacity requirements with newer units having the latest and most up to date technology, nonetheless, all units have the necessary equipment to perform each aspect of the "Catering Chain" (See Chapter 2, Quality Section 2.1) to the required standard. Review of equipment is on an on-going basis and is selected by the Catering Manager in consultation with Unit Management.

The environment in each of the Units is bright and airy and the overall design incorporates ease of cleaning and maintenance. One of the techniques of this Audit was observation, and during actual service periods, service performance in all four Units was highly organised and staff were friendly to clients.

In the area of performance, checking and correction where required, management rely heavily on personal observation and a "good relationship" with customers. The Catering Manager indicated, that on a regular basis, he approaches selected clients of whom one may expect to give a balanced view, to solicit their opinions. No formal audits on Customer

Questionnaires are carried out at any of the Units. Should a complaint be made, the policy (communicated to all Unit Managers) is to act immediately to resolve the problem.

In the area of temperature control which is vital for health and safety in food preparation and service (See Chapter 2 "The Catering Product"), temperature probes are available to check incoming foodstuffs and all refrigeration/fridges/ovens etc. have computerised thermostats. It was not clear from the above how frequently these are checked and monitored. No written records are available.

In the general area of hygiene and safety, the highest standards were in evidence.

With regard to training, there is a difference in the approach of the in-house units and those that are contracted out.

The in-house operations invest heavily in training. All of the key staff (Management and Chefs) are college trained and are actively encouraged to take extra courses. The general assistants receive, on a regular basis, training in each area of the "Catering Chain" and they are moved around the different areas (i.e. kitchen, service, cash) on a regular basis. This is to ensure that no job becomes monotonous and that in the event of absenteeism, a job function can be covered by any one of the staff on duty.

The contract Catering Units do not appear to invest as heavily in staff training. In these Units, only the key staff have training. The general assistants are not moved around the work areas and are not generally "multi-purpose" staff. This may create problems when absenteeism occurs. Finally, with regard to uniforms (part of the image) the in-house Caterers appear to have a better selection and maintained in a better manner.

Documentation is not at the level as would be required for registration to ISO.9000 standards (See Chapter 2 "Quality Section") in either the in-house or contracted out operations. Nonetheless, the Management systems, by virtue of an experienced committed and involved Management team, heavy financial commitment and strict policies and guidelines on training (in-house) and environment design, would appear to facilitate practices that lead to uniformity of standards.

Consumer Questionnaire (Bank 1):

The results of the questionnaires made for an interesting comparison between the Banks two in-house operations and the two contracted out operations.

In terms of overall satisfaction, the Banks in-house operations scored 90% and 93% respectively. The larger Unit serving 600 lunches daily scored 90% while the smaller Unit, serving 130 meals a day, scored 93%. The main areas of criticism was the same in both Units, that of over-crowding and a somewhat uncomfortable seating area. A further analysis of the Audit

revealed that part of this problem was due to most of the customers wishing to dine at the same time. It is of interest to note that as a result of this audit that the Manager of the 600 + meals per day Unit, has already circularised all his customers with a view to encouraging different dining times.

In terms of overall satisfaction, the Banks contracted out Catering operations do not score as highly as the in-house operations. The main areas of criticism was the seating area. As this complaint is common to all of the Banks' Catering operations, one must question whether the Bank Management, in planning the Catering Units, allowed adequate space for seating. In addition, there was criticism in both cases of a lack of consistency in food quality. Food quality was seen to be somewhat dependent on the actual time of consumption, with respondents stating that 'late' lunches were of 'poorer quality'. The overall results were 83% and 81% respectively.

Management System (Bank 2):

The approach of this Bank to Catering is that it is a non core activity and is, therefore, contracted out to Catering specialists. The bank hired consultants to design the Catering facilities and draw up a Catering policy document including performance specifications. There is evidence of a strong financial commitment to catering. Currently, the Catering Policy is decided by the Manager of the Buildings & Maintenance Department in conjunction with the Catering Manager. The Catering Manager is responsible for the day to day operation of the restaurant.

There are no quality Manuals or documentation that refers to quality or Quality Policy specifically. The contractor is expected to operate to the guidelines laid down by the Consultant with regard to product and operational standards and as specified in the tender document. Heavy emphasis is based on the experience and ability of the contractor and his team. Quality is seen as being "inherent" and part of all overall design, rather than being specified exactly in the tender document.

The restaurant has all the equipment necessary to perform each aspect of production and service. Review and maintenance of equipment is on an on-going basis between contractor and Bank. In the case of equipment failure, the Bank's own Maintenance staff provide immediate service.

The environment design is bright and airy and the overall design incorporates ease of cleaning and maintenance. With regard to hygiene and safety, the highest standards were in evidence. Uniforms are smart in appearance and maintained in a clear and tidy manner.

One of the techniques of the Audit was observation and during service periods the service areas were highly organised and staff were friendly and efficient. Performance checking and correction where required, rely on the Catering Management's team personal observation and experience and on a 'Close relationship' with customers. The Catering Manager does not conduct formal Quality Audits or customer surveys, but feels his 'closeness to the customer' alerts him to any problems.

All key staff (Management and Chefs) are trained. General assistants are trained on the job (although there is no formal training structures for them) and are rotated around the various areas where possible.

Documentation is not at the level as would be required for registration to ISO 9000 standards. For example, while all food stuffs requiring strict temperature control have the required equipment available, there is no evidence, written or otherwise, that the required monitoring is carried out.

The Management system, by virtue of its Management team, highly trained and experienced key staff, control of purchasing and production, environment design, and financial commitment, would appear to facilitate practices that lead to uniformity of standards.

Consumer Questionnaire (Bank 2):

In terms of overall satisfaction, the Contractor achieved 87%. The quality of the food, level of service and general cleanliness, all received very high marks. The one area that appears to need attention is, in a similar manner to the other banking organisation, that of seating comfort. Respondents complained of over-crowding due, it would appear, to most of them wishing to dine at exactly the same time.

Management System (Insurance):

The approach of this insurance organisation is somewhat similar to that of Bank No. 1. That is to buy the best equipment and systems, hire the best people and the, under the direction of a highly experienced Catering Manager, to operate

the service. As with the Bank organisations, it may be argued that Insurance Companies (generally) have the cash to pursue these type of policies. However, it is worth noting that the costs of implementing a Quality program are far out-weighted by the costs of not doing so (Chapter 2, Section 2.6).

It is difficult to ascertain who exactly in this Company, decides on Catering Policy. Day to day decisions are the responsibility of the Catering Manager, who in turn reports to Board of Trustees.

There is no Quality manual, but there are documented guidelines for production and service areas. In a similar manner to contract Caterers and the other in-house Caterers surveyed, heavy reliance is placed on the experience and ability of the Catering management and staff particularly the Chefs.

Some of the equipment at this location was not in working order. The Manager stated that the facility had been designed over 15 years ago and that a major re-vamp, including a new kitchen was to be built. For these reasons current equipment was not being replaced. In a similar manner, the servery area, while maintained in a clean and hygienic manner, appeared 'run-down' and the decor somewhat tatty. It should be noted that the general appearance of the restaurant gave evidence that in the past, a strong financial commitment had been made to the Catering Services. The Insurance Company have their own maintenance department and a 24 hour service is available, if required.

Observation during service periods indicated that the Catering Service area was well organised and staff pleasant. It was noted, however, that some of the service staff were somewhat, slow and untidily dressed. Performance checking and correction where required, rely on the Catering Management's personal observation and experience and on a 'close relationship' with the customers. The Catering Manager does not conduct Quality Audits or Customer Surveys, but feels his "closeness to the customers" alerts him to any potential problems.

All key staff are trained (Management and Chefs). General assistants are something of a problem for this organisation. While generally very positive in their attitudes, they are elderly and female and have difficulty with new procedures and training methods. It is felt that "time" is the best solution to this problem.

Documentation is not at the level that would be required for registration to ISO 9000 standards. For example, in the vital area of temperature control, there is little evidence, written or otherwise, that standards are adhered to.

It is difficult to conclude that the Management system in this organisation currently facilitates practices that lead to conformity of standards. However, it must be pointed out that this organisation is about to undergo fundamental changes with a new kitchen, servery and restaurant being planned in the very near future.

Consumer Questionnaire (Insurance):

In terms of overall satisfaction, the caterer achieved 80%. Quality of the food and general cleanliness received very high marks. However, there were complaints about service procedures and as in all the restaurants audited so far, about seating comfort. As noted earlier, this restaurant is about to undergo major refurbishment and it is expected that the current problems will be addressed.

Management System (Building Society):

The approach of this building society to Catering, is that it is a non-core activity and is therefore, contracted out to Catering specialists. The Building Society consulted with the Contract Caterer in the design of the Catering facilities and performance specifications. While this facility has all the equipment required, there is not the same evidence of as strong a financial commitment to Catering as was apparent in the Banks. Catering policy is decided by the Personnel Manager in conjunction with the contractor. The Catering Manager is responsible for the day to day operation of the restaurant.

There are no Quality Manuals or documentation that refer to Quality specifically. The contractor is, in effect, expected to know what the correct standards are and to follow the specifications as laid down in the tender document. Heavy reliance is placed on the experience and ability of the Catering Manager and his staff.

While the restaurant has all the equipment necessary to perform each aspect of production and service, it was observed that the salad bar is poorly positioned and poorly designed, with customers bumping their heads off the glass top when reaching for salads. When one considers that this facility was designed on the basis of the contractor's advice, this poor design is hard to understand.

In the case of equipment failure the Building Society's own maintenance staff provide immediate services on-going. Maintenance of equipment is the responsibility of the Contract Caterer. It is not clear who is responsible for equipment review, particularly with regard to the Salad Bar.

The environment layout is bright and airy and the overall design incorporates ease of cleaning and maintenance. During service periods, it was observed that the service area was well organised (except for salad bar) but staff were not as pleasant or helpful as in other operations audited. With regard to hygiene and safety, general high standards were in evidence but it was noted that cutlery and crockery were in some cases, stained with water marks. Uniforms are smart in appearance and maintained in a clean manner.

Performance checking and correction, where required, rely on the Catering Manager's personal ability and powers of observation. Quality Audits or Customer Surveys are not conducted. One unusual aspect of this audit was the visit of the Personnel Manager, to the Catering facility. He welcomed the audit but stated he did not want to hear anything about it. The Catering

Contractor offered the view that the subsidy for this facility was inadequate and that the Personnel Manager feared the results of the Audit might force a re-think.

The key staff are trained. General assistants are trained on the job and rotated around the various areas on a regular basis. The contractor stated that to provide the level of service that he felt was required, would necessitate the employment of another general assistant but the host organisation was reluctant to sanction this.

Documentation is extensive in the area of cost control but not at a level as would be required for registration to ISO 9000 standards. As in other restaurants audited, there is little evidence that foodstuffs requiring precise temperature control are properly monitored (with documentary evidence).

It is very difficult to conclude that the Management system in this organisation facilitates practices that lead to conformity of standards. The contractor claims in his defence, that the budget is too small to provide the required service and standards.

Consumer Questionnaire (Building Society):

In terms of overall satisfaction, the Caterer achieved 20%. The auditor noted that when conducting this consumer survey, a high level of eagerness on behalf of the consumers to express opinions on the quality of the Catering service. There were high levels of dissatisfaction with the food

(cold, little choice), the service (slow, unfriendly) cleanliness and hygiene (cups, cutlery stained) Decor and Restaurant Environment (more chairs and tables needed).

It should be noted that while one may accept that the Caterer is understaffed, such a high level of complaints, and in every area, indicates fundamental problems in the Management and organisation of this restaurant that need to be addressed urgently.

Semi-State Bodies:

As noted earlier in this chapter (5.2.2.), two semi-state bodies were selected. In one, all of the Catering services are contracted out while in the other, in a similar manner to one of the Banks, 90% of the Catering is provided in-house while the rest is contracted out. However, unlike the Bank, the Contractor does not report to the in-house Catering Manager.

Management System (Semi-State 1):

The approach of this semi-state Body to Catering is that it is a non-core activity and is therefore, contracted out to Catering specialists. The design of the Catering facility was through consultants who also advised on Catering policies and specifications. While this facility has all the required equipment, it is not to the level as was apparent in the Banks. The Catering policy is decided by the Contracts manager in consultation with the Contract caterers. The Catering manager is responsible for the day to day operation of the restaurant.

There are no Quality Manuals or documentation that refer to quality specifically. The contractor is expected to operate to the guidelines laid down by the consultant and to the specifications in the tender document. Heavy reliance is placed on the ability and experience of the Contract Caterer, i.e. quality is somewhat taken for granted.

The restaurant facility is well appointed with all the required equipment. Review and maintenance of equipment is on an on-going basis. In the case of equipment failure, the host organisation's own maintenance staff will provide an immediate service.

The environment design is bright and airy and the overall design incorporates ease of cleaning and maintenance. There is evidence of the practice of high standards of hygiene and safety. During actual service times, the service areas appeared highly organised, staff friendly and efficient, but the overall speed of service appeared slow with 'bottlenecks' at the Cash point.

Performance checking and assessment is the responsibility of the Catering Manager. Personal observation and experience are the criteria used. Surveys, audits etc. are not used.

The key staff (Management/Chefs) are trained but the general assistants are not. Documentation or quality standards is not much in evidence. Similarly, the vital area of temperature control of foods and equipment has no documented evidence to support its performance.

The Management system of this organisation does not appear to facilitate practices that lead to conformity of standards. Questions need to be asked with regard to staff training and the over-reliance on one person (Catering Manager) to ensure adequate quality standards.

Consumer Questionnaire (Semi-State 1):

In terms of overall satisfaction, the Contractor achieved 75%. The quality of food, general cleanliness and hygiene all received good marks. However, the service was criticised (slow) and inconsistency of standards was a general comment.

Management System (Semi-State 2):

The original approach of this semi-state Body was somewhat similar to that of Bank No. 1 and the Insurance Company. That was to buy the best equipment and systems, hire the best people and the, under the direction of an experienced and competent Catering Manager, to operate the service. Originally, all Catering services in the Dublin area, were under the direction of the Catering Manager, but in recent years, it was decided to allow each unit operate on its own, and in addition, to contract out one of these Units. For the purpose of this Audit, two units were selected. The first unit is the Head Office which is under the control of the original group Catering Manager. The second unit is the contracted out unit.

It is difficult to ascertain who in this organisation decides on Catering policy. The Catering Managers are responsible for day to day operation of each restaurant and it appears have an input into policy making. The

Catering Managers of both units report to the Building & Maintenance Department. There is evidence of a strong financial commitment to catering in the area of equipment and facilities.

There are no Quality Manuals in either unit. The in-house operation has detailed guidelines with regard to product and operational standards. The contractor operates to similar guidelines and to the general specifications in the tender document. Both units have all necessary equipment to perform the Catering service required. Review of equipment is on an on-going basis and is carried out in consultation with the Manager of the Building and Maintenance department.

The environment design in both units is bright and pleasant but somewhat cramped in appearance. The overall design incorporates ease of cleaning and maintenance. One of the techniques of this Audit was observation and during actual service periods, service performance appeared highly organised and staff were friendly and efficient in both operations.

With regard to performance checking, the experience and observational power of the Catering Manager is all important. Both Catering Managers indicated that while they do not carry out Audits or Questionnaires, they (in a similar manner to Bank No. 2 Group Catering Manager) approach selected clients of whom one may expect to give balanced views. The in-house Caterer also operates a suggestion box scheme.

In the area of temperature control, neither of these establishments can offer clear documented evidence of scrupulous attention to this vital matter. It was not clear when, if ever, thermostats were checked and only the in-house caterer had probes available for checking incoming raw materials.

In the areas of hygiene and safety, the in-house Caterers Unit was immaculate. The Contractors Unit was not as clean, with some of uniforms being in a "tatty" condition, and food handling somewhat excessive. With regard to recruitment and staff training, there are marked differences between the two. The in-house operation invests heavily in training. This training takes place at all levels and includes in-house training schemes and day release courses to the local College of Catering. One surprising fact emerged, in that the Head Chef does not have any high level qualifications but, however, is now being encouraged to return to College on a part time basis to update his skills. All the rest of the staff are fully qualified in their respective areas.

The Contract Catering unit does not invest as heavily in staff training. All the key personnel are trained (Manager/Chef) but the general assistants do not receive any training, other than on-the-job.

Documentation, in either organisation, is not at a level as would be required for registration to ISO 9000 standards. Nonetheless, the Management system, in both organisations, by virtue of the commitment and strong involvement of the Catering Managers, highly trained and experienced key staff

(with one exception) control of purchasing and production, environment design and financial commitment, would appear to facilitate practices that lead to uniformity of standards.

Consumer Questionnaire (Semi-State 2):

The results of these questionnaires make for an interesting comparison between the quality levels of both units. In terms of overall satisfaction, both units are nearly identical at 83% (in-house) and 84% (contractor). Criticism of the in-house Caterer centred on the food with complaints about temperature, i.e. hot food served cold. The contractor was criticised in the area of hygiene with some adverse comments on crockery, cutlery and staff.

Manufacturing (Communications):

As noted earlier in this chapter (5.2.3), three manufacturing industries were selected. Two are based in the Computer/Communications industry while the third is a large brewing concern. The two Computer /Communications organisations have in-house Catering in one company and contractors in the other firm. The brewery was chosen because it had moved from an in-house operation to a contract.

Management System (Manufacturing Company No. 1)

The approach of this organisation is to where possible provide all services in-house. In a similar manner to Bank No. 1 and the Insurance Company, the policy is to buy in the best equipment and systems and have the best people to run the service. In addition, this

organisation, has in the past, hired consultants to advise on Catering policy. Catering policy is decided by the Personnel Manager in conjunction with the Catering Manager, who is also responsible for the day to day management of the Catering service.

There is no Quality Manual specifically, but the Catering Manager has drawn up strict guidelines for the production and service area. In addition, the recruitment policy is to have people with both qualifications and experience. Strict (financial) control is very evident in this organisation. In common with all other organisations surveyed, great reliance is placed on the ability of the Catering Manager.

The restaurant and kitchen have all the equipment required to function properly. This company has its own maintenance department who are on-call should problems occur in the Catering area.

The environment and layout is bright and airy and the overall design incorporates ease of cleaning and maintenance. During service periods it was observed that service was brisk, efficient and friendly.

Performance checking and correction, where required, rely on the Catering Manager's ability and experience. He does not use Quality Audits or surveys but feels his 'close relationship' with his clients would quickly alert him to any problems.

All staff are trained. General assistants are given a specially designed on-the-job training course. They are trained in every area and moved around on a regular basis. Written documentation, particularly in the area of stock and cost control is extensive, but not to the level required for registration to ISO 9000 standards. Unlike the other restaurants surveyed, there is evidence that a monitor on temperature gauges is performed on a regular basis. Every fridge has two gauges, one on the outside (manufacturer) and one placed in the fridge (by the Caterer).

It may be concluded that the Management system, by virtue of a committed and involved Catering Manager and strict policies and guidelines on staff hiring, training, control of purchasing and production, environment design and financial commitment would appear to facilitate practices that lead to uniformity of standards.

Consumer Questionnaire (Manufacturing Company No. 1):

In terms of overall satisfaction, this Caterer achieved 90%. There were high levels of satisfaction with food, service, cleanliness, hygiene and decor and the restaurant environment. The one area of criticism was, inadequate seating facilities in the Coffee/Tea area.

Management System (Manufacturing Company No.2):

The approach of this organisation to Catering is that, it is a non-core activity and is therefore, contracted out. The Catering facilities were designed in consultation with the Contract Caterer, and there is evidence of a strong financial commitment to catering. Currently, Catering policy

is decided by the Personnel Manager in conjunction with the Contract Caterer. The Catering Manager is responsible for the day to day operation of the restaurant.

As with all other organisations, there are no Quality Manuals. The contractor is expected to know the product and operational standards required and to follow specifications as laid down in the tender document. Heavy emphasis is based on the experience and ability of the contractor and his team.

The restaurant has all the required equipment. Review of equipment is on an on-going basis between contractor and host organisation. Where equipment failure occurs, the host organisation's own maintenance staff will provide immediate service.

The environment design is bright and airy with the exception of the service area which appears somewhat claustrophobic, due to the layout of the building which only allows a small "corridor" for the servery. The overall design incorporates ease of cleaning and maintenance. In addition, there is evidence of the practice of high standards of hygiene and safety.

During actual service, the service area appeared highly organised, staff friendly and efficient but the overall speed of service appeared somewhat slow, particularly around the cash point.

Performance checking and assessment is the responsibility of the Catering Manager. Personal observation and experience are the criteria used. Surveys, audits etc. are not used.

The key staff (Management/Chefs) are trained but the general assistants are not. However, the assistants are rotated around the various areas. Written documentation, particularly in the area of stock and cost control is extensive but not to the level required for ISO 9000. Neither is there evidence of a strict monitoring of temperature controls for the equipment and food staffs.

It must be open to question whether the Management system facilitates practices that lead to conformity of standards. Questions of staff training and over-reliance on one person (Manager) need to be addressed.

Consumer Questionnaire (Manufacturing Company No. 2):

The results of this questionnaire gave the contractor an overall satisfaction rate of 84%. The principal area of criticism was one of inconsistency in the areas of food and service.

Management System (Manufacturing Company No. 3):

Perhaps, the most interesting aspect of this organisation is that during the period of Research for this thesis, they changed from an in-house Catering arrangement to employing contractors (see 5.2.3 this chapter).

The Catering facilities were originally designed by the Catering department. Current Catering policy is decided by the Contract Manager who consults with the Contract Caterer. The Catering Manager is responsible for the day to day operation of the restaurant. There is evidence that in the past, a strong financial commitment was made to the provision of Catering services.

As with the other organisations surveyed, there are no Quality Manuals. The contractor is expected to know the product and operational standards required and to follow specifications as agreed in the tender document. Heavy emphasis is placed on the experience and ability of the contract Caterer and his team.

The restaurant has all the required equipment. However, in appearance, it is shabby looking and old fashioned with the exception of a dishwasher which has recently been purchased. Review of equipment is on an on-going basis between contractor and host organisation. Where equipment failure occurs, the host organisation's maintenance department will provide immediate service.

The environment design is as already noted, somewhat old fashioned and dowdy in appearance. It cannot be said that the overall design incorporates ease of cleaning and maintenance. There is little evidence of the practice of high levels of hygiene and safety. The kitchen area has an untidy appearance.

During actual service, the service area appeared speedy, efficient and highly organised. Performance checking and assessment is the responsibility of the Catering Manager. Personal observation and experience are the criteria used. Surveys, audits etc. are not used.

The key staff (Management/Chefs) are trained but general assistants are not. Assistants are rotated around the various areas. Written documentation is heavily biased

towards financial and stock control, but not towards 'Quality' and the requirements for registration to ISO 9000 standards. There is little evidence of strict monitoring of temperature control.

It must be open to question whether the Management system, particularly with regard to Environment and maintenance of same, is conducive to facilitating practices that lead to conformity of standards.

Consumer Questionnaire (Manufacturing Company No. 3):

As noted earlier (5.2.3. this chapter), the Contracts Manager did not permit a consumer survey to be held as he deemed it to be 'sensitive at this point in time'. Having regard to the findings of the Audit of the Management system, it is difficult to believe that such a survey would yield high rates of satisfaction. However, this organisation is somewhat of an unique situation, in that all food is free of charge. One of the main reasons for change to a contractor may be the organisation's wish to exercise more control over portion sizes, and hence lower costs by using a third party. (See 5.3.2. "History and background Host organisation" - this chapter.

5.6. Summary of Quality Audit Findings:

Thirteen different Catering operations were audited across a broad spectrum of financial institutions, semi-state bodies and manufacturing industries. Eight of the operations were operated on a contract basis

and five were in-house. The audit consisted of two inter-related parts which were firstly, an examination of the quality of the Catering management system to reliably provide the required quality levels, and secondly, an examination of the level of consumer satisfaction with the existing product offered.

One major conclusion of the Audits was, that there was a noticeable difference in the quality of the surroundings and the equipment levels of the various restaurants. As chapter 1 ("The Catering Product") and Chapter 2 ("Quality") clearly showed, consumer's perception of the quality of the meal ("The Meal Experience") is influenced by more than just the food and service. The atmosphere, decor, image and facilities, all contribute and influence the consumer's final assessment of the quality of the Catering Product.

In a similar manner to the dining area, the kitchens and production equipment of the in-house operations was generally of a superior standard to that of the Contractors. This contributes to more efficient and effective food production.

The results of these Audits show clearly that those organisations that have made strong visible financial commitments to the Catering Services, have a more satisfied customer, regardless of who is providing the food and service.

While the results of the Quality Audit of each restaurant were somewhat different, the following common features emerged:

- * Product and Operational Standards set by the Catering Manager in consultation with his/her superior.
- * Strong emphasis on Stock and Cash Control.
- * No formal Quality Audits or Consumer Surveys conducted.
(Two restaurants operate a suggestion box).
- * Policy decision making is different in each organisation.
It is difficult to identify who exactly decides on policy in many of the organisations.
- * No documentation on 'Quality' or Quality Standards.
No Quality manuals.
- * Quality is somewhat "taken for granted" and is understood to be "inherent" and "common sense", and somehow naturally emerges in a 'well run' restaurant.
- * The vital area of temperature control is widely neglected (two exceptions) and ignored.
- * Value for money. All food is sold at cost (one exception).

Major differences between in-house operations and
contracted out Catering Services.

- * Generally in-house operations displayed a heavier financial commitment to all aspects of the provision of Catering Services.
- * Higher levels of staff training in in-house operations.
- * Consumer Surveys indicated higher levels of satisfaction with in-house Catering.
- * Highest consumer satisfaction level with contract Catering was where they were under the control of an in-house Catering Manager (with one exception) and in organisations with strong visible commitments to Catering.
- * Lowest satisfaction rates achieved in-house, 83%.
Lowest satisfaction rates achieved contractor, 20%.
- * Major complaint about contractors was that of "inconsistency"

Chapter 6

Conclusions and Recommendations.

6.1. Introduction:

The objectives of this dissertation as previously outlined in the introduction were:

- To examine the concepts of Quality Assurance and the Catering Product.
- To analyse the growth in contracting out non-core business activities with specific reference to Catering.
- To evaluate and compare the quality of the Catering Services in selected organisations.
- To measure the difference, if any, in Customers (Host Organisation/Consumers) perception of the quality of the Catering product as provided by the Contract Caterer or in-house.

The structure of the study was as follows:-

6.1.1. Literative Review:

A thorough literative review on concepts of Quality, Catering and contracting out as a business option, was undertaken. The purpose of this was, firstly, to identify the role of quality and its significance for the Catering Product. Secondly, there was the need to identify if a trend towards contracting out existed generally and what effect, if any, this has on Irish contract Caterers.

6.1.2. Primary Research:

This consisted of two surveys and a Quality Audit of selected Catering services.

6.1.3. Survey of the Irish Contract Catering Industry:

The literature review indicated that the most accurate information available on Contract Catering was over six years old. In addition, there was no information on that industry's views on the concepts and role of Quality and the future of contract Catering in Ireland. In order to gain this information, a survey involving in-depth interviews with a representative sample of Senior Management of the Contract Catering Industry was undertaken.

6.1.4. Survey of Selected Business Organisations:

Organisations were chosen on the basis that their core business activities are broadly similar, but by contrast, the catering function is managed by contractors in one firm and by in-house Caterers in the other. Nine different organisations with thirteen separate and distinct Catering facilities were surveyed across a broad spectrum of financial institutions, Semi State Bodies and Manufacturing Industries.

The first part of the survey was in-depth interviews with the Senior Management of the respective organisations, in order to ascertain their views on contracting out as a business option, the role of Catering, Quality assessment, contractor selection and likely future trends.

The second part of the survey was to conduct a Quality Audit of the restaurant facilities of each organisation. This audit was in two inter-related parts. Firstly, an audit of the Catering Management system and secondly, an examination of the level of consumer satisfaction with the existing product.

6.1.5. Discussion of Conclusions:

The conclusions of this thesis are discussed under the following headings:-

- 6.2. The Role of Quality Assurance and the Catering Product.
- 6.3. Trends in contracting out non-core business activities and the Quality concepts of Contract Catering in Ireland.
- 6.4. Senior Management views on contracting out Catering activities, Quality, Contractor selection and assessment. Future trends.
- 6.5. Quality Audits.
- 6.6. Summary of conclusions.
- 6.7. Recommendations

6.2. Role of Quality Assurance and the Catering Product:

The concepts of Quality Assurance and Quality control procedures cannot be presented in isolation, from the broader economics and marketing environment in which a Catering unit operates. However, quality is central to and an integral part of the Catering product and must be clearly linked to marketing strategies.

The Catering "product" is a complex blend of tangible (food, beverage), and intangible (service, atmosphere, image, value for money, customer participation) items. In addition, there are many operational factors, such as perishability (a cooked meal cannot be held and stored for any great period of time without quality loss) and the service nature of the product ('variation' is a feature of all service products) which make the management of quality and catering complex.

The pursuit of quality is a conceptual and practical approach to ensuring that the customer is satisfied on each and every occasion and that the objectives of the organisation are met. A major problem with quality is the difficulty in measuring it. For the customer it is often subjective and personal and based on previous experience, while for the organisation, quality is concerned with the provision of tangible controllable items and intangible items and therefore, less controllable. Quality is concerned with measuring actual performance against pre-determined standards. The problem of

performance setting is made more complex by the service nature of the Catering product where "variation" is a feature.

There are financial considerations involved in the production of goods and services. A thorough review of the literature clearly showed that quality pays for itself. It pays to produce the right product, right the first and every time.

There is a clear link between quality and value for money. The term 'quality' should not be confused with 'the best'. The consumer evaluates every product offering against a personal criteria derived normally from previous dining experiences. This has implications for the 'level' of quality offered. The Caterer no longer needs to provide the "best", but the best the consumer's money can buy.

In Ireland, due primarily to membership of the E.C. there is a growing awareness of the concept of Quality. Ireland has adopted the ISO 9000 (international organisation for standardisation) series of Quality Management Standards as the Irish standard. This in effect means that if an organisation's product conforms to these standards, then they have little to fear from legal action. To date, no Irish Catering organisation has applied for registration under this scheme. However, with growing European integration, this may well become an essential requirement.

The summary of Chapter 2 (see Chapter 2 'Quality' section 2.1.2) concluded with recommendations on a quality assurance system for Catering. It is not proposed to re-produce them here in their entirety, but attention is drawn to the following features:

- (1) Make a total commitment to Quality a core value of the organisation's cultural climate. This has implications for the setting of Quality objectives, policy and market research into required quality levels and desired forecasting.
- (2) Critically analyse and evaluate, on a regular basis, all aspects of the operation. This has implications for the setting of product and operational standards. Flexibility and service parameters need careful consideration in setting standards.
- (3) Recruit the "Right People". Special consideration needs to be given to the level of customer contact and staff recruitment and training.
- (4) Document and communicate all standards: Without proper documentation, there is over-reliance on memory and personal performance. Without communication there are no standards at all.

Any organisation which is intent on a serious commitment to quality, will consider a Quality Audit as one of the starting points. This is an independent evaluation of product quality to determine its fitness for use and conformity to customer expectations and it also embraces an audit of the Management system to ensure it also operates to an agreed standard.

It is, therefore, concluded, that a Quality Assurance system is essential for the Catering Product, because it's a guarantee of consumer satisfaction with a complex product, and it pays for itself in terms of cost savings and will be a likely future requirement in the E.C.

6.3. Trends in Contracting out non-core business activities and the Quality concepts of Contract Caterers in Ireland.

The literative review of Chapter 3 (Contracting out Catering Activities) indicated that technology, competition and demographic changes (a shrinking more educated and mobile work force) in recent years, has forced Management to concentrate on 'essential' activities. As a result, there is a definite trend in contracting out many activities formally undertaken in-house. With regard to the interviews with senior executives of host organisations (See Chapter 5 "Research Findings" Section 5.4.), they indicated that while there is a definite trend towards contracting out catering activities, many organisations have adopted a 'wait and see' attitude. This is partly due to the history and background of many organisations and the somewhat conservative nature of many Irish business leaders. One major advantage of the 'contracting out' option may be that it allows the exercise of control without the requirements and responsibilities of ownership. The impact on the host organisation of contracting out business activities, has yet to be fully examined but in considering the "contracting out" option, many organisations may need to re-assess their business goals and objectives.

In order to ascertain what effect this trend has on the Contract Catering industry in Ireland, and in the absence of up-to-date, reliable published information, it was decided to interview a representative sample of Senior

Management of the Contract Catering Industry. In addition, the concept of quality and its application in Contract Catering was investigated.

The survey was unable to identify the size of the Contract Catering Industry in Ireland. None of the respondents were prepared to indicate how large the market is, or what share of it they possess. It was indicated that the market is growing slowly, particularly in the area of "executive dining". It was also felt that the market was "very competitive" and that the Irish business infrastructure is such that many organisations are too small, in either total numbers employed or cash resources, to engage the service of contract Caterer.

All of the contractors see a close personal relationship with the client as the core of their business success. It is also seen as central to the provision of a 'Quality' product. Contract Caterers claim that their vast experience of Catering, large pool of highly trained staff, competitive purchasing, flexibility and strong financial control, give the client a consistent quality product at very reasonable cost. The contractor's view was that quality, as a result of the factors raised above, was somewhat 'automatic' and could be "taken for granted".

Asked to name performance indicators for the Catering Product, the consensus view was that the food, staff, cleanliness and hygiene, menu variation, decor and consistency were the key factors and that with their experienced Unit Managers, the quality of these could be guaranteed to meet clients' expectations.

None of the contractors have a Quality assurance system such as is recommended by the findings of Chapter 2 ("Quality") and as already discussed in this Chapter (6.2). This is not, in any way, to degenerate or belittle the views of the respondents. As they all manage what are perceived to be successful Contract Catering Organisations, there is value in their expert opinions. With regard to Quality Assurance,

the areas of concern are the following:-

- * No Quality Manuals or other documentation that refer specifically to Quality.
- * In the setting of Quality levels, no market research on Quality Audits conducted. Over reliance on "experience".
- * Staff training - key staff are trained but general assistants receive only on-the-job training. No clear evidence, documented or otherwise, of how comprehensive this is.
- * Checking of performances appears to be mainly financial and quality assessment is reliant on the experience of the Unit Catering Manager. The Area Manager/Senior Management are involved in this area by reason of their regular visits to each unit, but it may be too late when they become involved. No records of customer complaints.
- * Environment. This is seen as an area largely outside the control of the contractor. It is often "inherited" and because the Contract Caterer wishes to continue in business, is prepared to accept conditions that may be far from ideal.

With regard to contracting out as a business option, a conclusion of this dissertation is:-

There is a definite trend in contracting out non-core business activities and this also applies to Catering. This trend is slow due to the Irish business infrastructure. History and background of many organisations add to the somewhat conservative nature of many Irish business leaders who have adopted a "wait and see" policy.

With regard to the Quality concepts of Contract Catering, a conclusion of this dissertation is:-

Irish Contract Caterers rely heavily on the experience and observational powers of their Management, strict financial control and on a close personal relationship with their clients to ensure adequate Quality levels and business success. There is little evidence of an objective approach and commitment to Quality, particularly in the areas of setting quality levels, setting product and operational standards, staff training and checking and correcting performance.

6.4. Senior Management (Host Organisations') views on contracting out Catering Activities, Quality, Contractor selection and assessment and future trends.

As already discussed (Section 6.3. this Chapter) there is a definite trend towards contracting out Catering Activities, but many organisations are conservative and have adopted a "wait and see" policy.

The major advantage of contracting out was seen as the savings in valuable Managerial time (administration function) and in staff numbers directly employed by the organisation (lower pay roll). It was felt that the limited time period of the contract gave control of both costs and quality. The major disadvantage of Contracting out was seen as loss of control of an important social facility to an outsider.

A review of the advantages and disadvantages of contracting out or in-house Catering, indicated that while opinions were not unanimous, that with regard to overall costs, the majority view is that contracting out is the best option and that with regard to quality standards, there is little difference.

The provision of Catering facilities are seen as a 'perk' and part of a 'Caring Philosophy', and the growing need for corporate entertainment at the work location indicates that Catering at the place of work is likely to continue.

The systems and techniques used to monitor Quality levels depends on word of mouth and personal visits to the Catering facility. This was viewed as a "practical approach". The problem with this approach is that it lacks objectivity. None of the Senior Managers interviewed, had instigated independent Audits of Consumer satisfaction.

In choosing a contractor, a great deal of emphasis is placed on the Management structure, size and reputation of the Caterer. The tender document is seen as being at the "heart" of the business relationship. It is very descriptive with regard to service requirements, review dates, budgeting and discounts. Quality is not mentioned specifically. The view of these Senior Managers is that Contract Catering "understands" what is required and that quality "naturally follows".

However, as the findings of Chapter 1 ("The Catering Product") and Chapter 2 ("Quality") clearly show, and as reviewed at 6.2. (this chapter) Catering is a complex product and defining Quality levels in a tangible manner is difficult. A documented Quality system to cover policy, observations, standard setting and performance evaluation is essential.

Conclusions are:-

Senior Management often appear to lack a clear understanding of the role of Quality and the complexities of the Catering Product. They apply personal and subjective judgments in assessing the quality of the Catering performance and in composing tender documents, assume that the Contractor will automatically understand what level of Quality is required.

With regard to costs, a conclusion is that Contract Caterers are competitive with in-house Caterers.

With regard to the future of Catering at work, it is concluded that the provision of Catering facilities is likely to continue.

6.5. Quality Audits:

The audit consisted of two inter-related parts which were an examination of Quality of the Catering Management, to reliably provide the required quality levels and an examination of the level of consumer satisfaction with the existing product offered.

Thirteen different restaurants were audited. Eight are contracted out and the remaining five are in-house. Two of the in-house and two of the contracted out operations are under the supervision of an in-house Catering Manager.

The major findings of the Audits are as follows:

- (1) In-house operations are perceived by the Consumers to offer higher levels of Quality (+ 6% on average). The highest level of consumer satisfaction was 93% (in-house) and the lowest 20% (contractor). Based on these figures, the average level of consumer satisfaction was 87% (in-house) and 74% (contractor). If however, the 20% received by the contractor is treated as an exception to normal practise and similarly, the 80% received by the in-house caterer (who was about to undergo major structural changes), the figures are 89% (in-house) and 83% (contractor). For further details, see Chapter 5 ("Research Findings" section 5.5.1). These figures mean that, for example, in the case of 89% (the highest average figure) that eleven customers out of every hundred were unhappy and dissatisfied with the product offered and correspondingly, more customers are dissatisfied as the

percentage figures drops. These figures compare poorly with other Industries. (See chapter 2 "Quality", section 2.8).

- (2) The restaurants that rated highest in terms of management systems and consumer satisfaction have all made strong financial commitments to the Catering Services (i.e. Equipment facilities and general design). This applies to all the restaurants, regardless of whether they are managed in-house or by contractors.
- (3) None of the restaurants operate a Quality system as recommended by the findings of Chapter 2 ("Quality"). As a result the actual quality levels achieved are very dependent on the calibre of individual Managers, who may not have an adequate system of support (financial, training, environment). All the Managers surveyed viewed quality as something akin to 'common sense' and felt that it somehow naturally emerges in a well managed restaurant.
- (4) One of the frequent complaints about contractors was that of "inconsistency", which is at variance with the benefits claimed by the contractors for their services. (See Chapter 3, "Contracting out Catering Activities", Section 3.3.4).

Conclusions are:-

- (1) All restaurants (in-house/contractor) are over reliant on the abilities of their individual Managers, because they do not provide an adequate Quality system to support them.
- (2) All Catering Managers (in-house/Contractor) have an inadequate understanding of the principals and practices of Quality as it applies to the Catering Product.
- (3) In-house Catering facilities have higher standards of Quality than contractors, due to higher levels of financial investment by the host organisation.
- (4) Large scale financial investment is required in Catering facilities if adequate quality levels are to be achieved, regardless of whether they are managed in-house or by contractor.

6.6. Summary of Conclusions:

Quality assurance is a conceptual and practical approach to ensuring that the customer is satisfied, each and every time. A quality assurance system is essential for the Catering Product, because it is a guarantee of consumer satisfaction with a complex product, and it pays for itself in terms of cost savings and is likely to be a future requirement in the E.C.

There is a definite trend in contracting out non-core business activities and this also applies to Catering. The trend is slow due to the Irish business infrastructure, history and background of many organisations, and the conservative approach of many senior Managers.

Senior Managers lack a clear understanding of the role of quality and complexity of the Catering product. They apply personal and subjective judgments in assessing the quality of the Catering performance and in composing tender documents, assume that the contractor will automatically understand what level of quality is required.

For their part, Contract Caterers also lack a clear understanding of quality. There is little evidence of an objective approach to quality management, particularly with regard to setting quality levels, product and operational standards, staff training and checking performance. Irish contract Caterers rely over heavily on the individual performances of their Managers, strong financial control and a close personal relationship with their clients to ensure adequate quality levels. The contract Caterers claim that quality consistency is one of the benefits they offer, yet the Quality Audits clearly showed that in this area, they are often most at fault.

In-house Catering Managers do not understand quality concepts any more comprehensively than the contractors. They rely just as much on the experience and knowledge of the individual, rather than a tangible structured quality system.

The Quality audit showed clearly, that while quality levels are somewhat higher in the in-house operations, that this is mainly due to the large financial investment made in facilities and to a lesser extent, staff training. "Quality" Catering, due to its complex nature, requires large financial investment, regardless of whether it is managed in-house or by contractors.

The final conclusion of this dissertation is that while Contract Caterers are price competitive, and current business trends favour contracting out non-core activities, that they are unlikely to attain high levels of consumer satisfaction and future business success until they make a total commitment to quality a central goal of their organisations and develop quality assurance programmes for the Catering Product.

6.7.. Recommendations:

The following are the recommendations arising out of the Conclusions to this dissertation.

- 6.7.1. Industry generally in Ireland needs to become more aware of Quality. Third level Educational Institutions need to consider incorporating Quality modules in the appropriate business and scientific courses.
- 6.7.2. Senior Executives should consider the advice of Consultants in drawing up tender documents and performance specifications, with regard to quality requirements for catering as an immediate first step to improve standards.
- 6.7.3. The Catering Industry in Ireland needs to become more aware of Quality. The Catering Colleges need to consider offering Seminars and Courses on Quality concepts and the study of Quality should be a module in every Catering Management Course.
- 6.7.4. Contract Caterers need to invest in Quality Assurance Programs and to consider methods by which they can encourage host organisations to invest more heavily in Catering facilities.
- 6.7.5. This dissertation is exploratory and it is the first time that much of the information on Catering and Quality concepts has been compiled, together, in an Irish context. As such it is worthy of further study.

A Guide to the Quality Standard Maze

Last year, with the launch of ISO 9000, and the European standard EN 29000 series promoted by the European Committee for Standardisation (CEN), national and international quality systems standards began to come into line. In Ireland certification is now issued as IS 300/ISO 9000; in Britain this formal identification will occur before 1992, by which time BS 5750 will be issued as ISO 9000. Until then, an Irish issued ISO 9000 may possibly not be treated by customers as equivalent to BS 5750, which is more widely known there. At the moment 27 companies have been certified under IS 300/ISO 9000.

Quality Systems Standard Matrix Researched and compiled by: Boehling Associates SPRL, Brussels.
First published in EOQC Quality (December 1987)

	Level 1	Level 2	Level 3		Guidelines
Standards Body	Quality systems Model for quality assurance in design/development, production, installation, and servicing	Quality systems Model for quality assurance in production and installation	Quality systems Model for quality assurance in final inspection and test	Quality management and quality assurance standards – Guidelines for selection and use	Quality management and quality system elements – guidelines
ISO	ISO 9001: 1987	ISO 9002: 1987	ISO 9003: 1987	ISO 9000: 1987	ISO 9004: 1987
CEN	EN 29001	EN 29002	EN 29003	EN 29000	EN 29004
Belgium	NBN X 50-003	NBN X 50-004	NBN X 50-005	NBN X 50-002	–
Canada	CSA Z299.1-85	CSA Z299.2-85	CSA Z299.4-85	CSA Z299.0-86	CSA Q420-87
France	NF X 50-131	NF X 50-132	NF X 50-133	NF X 50-121	NF X 50-122
Ireland	IS 300: Part 1	IS 300: Part 2	IS 300: Part 3	IS 300: Part 0	IS 300: Part 0
Netherlands	NEN 2646	NEN 2647	NEN 2648	NPR 2645	NPR 2650
Norway	NS 5801	NS 5802	NS 5803	–	–
Switzerland	SN 029 100A	SN 029 100B	SN 029 100C	–	–
United Kingdom	BS 5750: Part 1 (ISO 9001-1987)	BS 5750: Part 2 (ISO 9002-1987)	BS 5750: Part 3 (ISO 9003-1987)	BS 5750: Part 0 Sec 0.1 (ISO 9000-1987)	BS 5750: Part 0 Sec 0.2 (ISO 9004-1987)
United States	ANSI/ASQC Q91-1987	ANSI/ASQC Q92-1987	ANSI/ASQC Q93-1987	ANSI/ASQC Q90-1987	ANSI/ASQC Q94-1987
West Germany	DIN ISO 9001	DIN ISO 9002	DIN ISO 9003	DIN ISO 9000	DIN ISO 9004
NATO	AQAP-1	AQAP-4	AQAP-9	–	AQAP-2 and AQAP-5
United States (defense)	MIL Q 9858A	MIL-I-45208A	SF-32 Standard Inspection Clause	–	DOD Handbooks H50 and H51

Appendix II

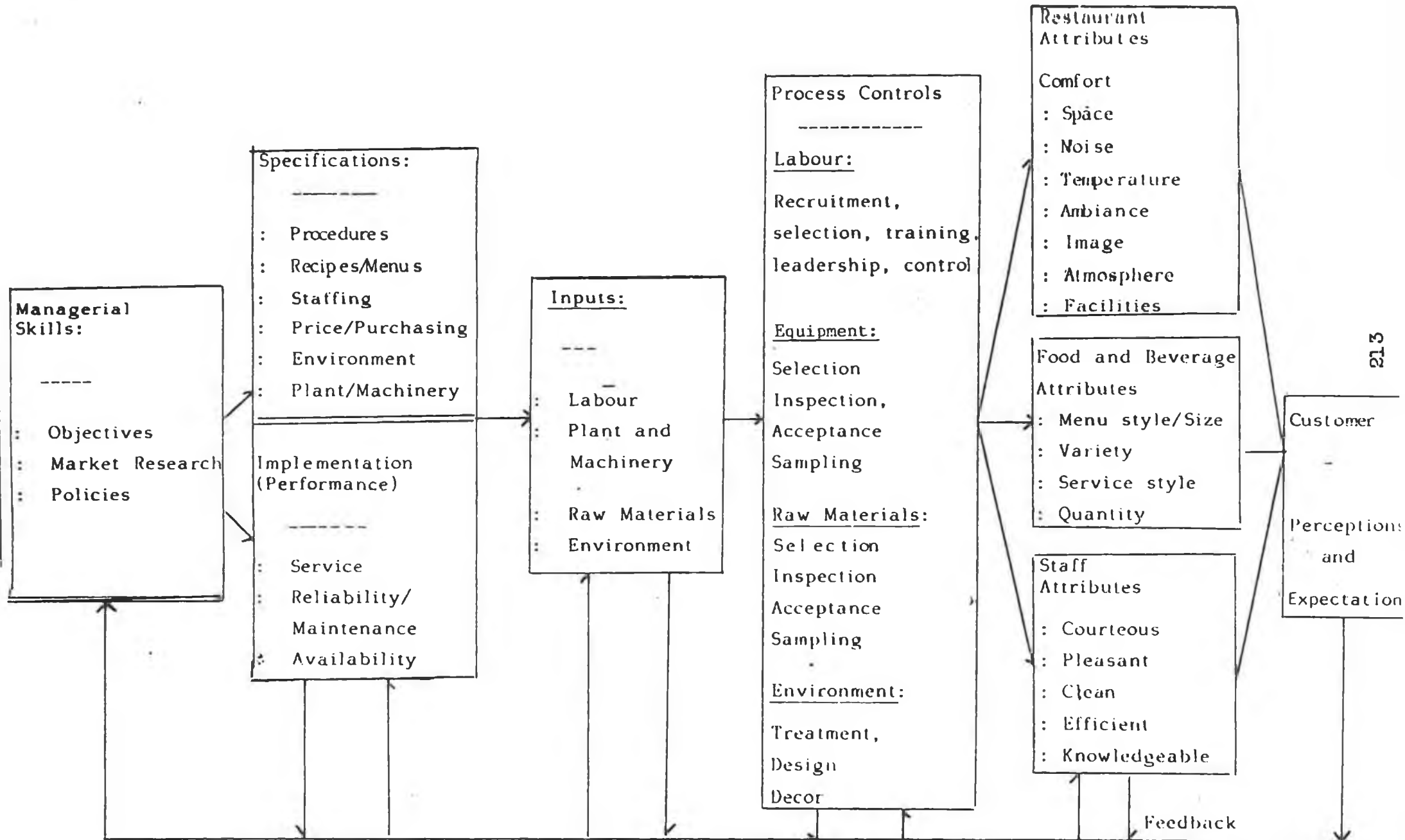
A Model Quality Assurance System:

Any system must incorporate all the elements necessary to achieve quality assurance. This starts with the quality of managerial ability in setting objectives and creating policies in line with research market information. From this extremely difficult task of drawing up specifications may be undertaken especially for the intangible areas. In addition to this, a system of measurement of the total product must be agreed. Here again, measuring the intangibles is a difficult process but the setting of parameters in which the measurement takes place and viewing service as having two inter-related dimensions of procedures and conviviality may help.

From this the inputs of labour, plant, raw materials and the environment are carefully integrated and the end result may be viewed in three different aspects. These are, the restaurant, food and beverage and staff attributes. However, it must be noted that the customer sees these three as a unified whole, and in addition his/her perception of these will effect the final outcome.

It is essential that monitoring of customer satisfaction on a regular basis takes place together with subsequent documentation, analysis and feedback to the relevant areas, to ensure corrective action, or product modification.

See overleaf for Diagram.



A Model Quality Assurance System for a Catering Retail Unit.

HAZARD ANALYSIS CRITICAL CONTROL POINT FOR FOOD OPERATIONS

	CRITICAL POINT	CONTROLS/DOCUMENTATION	CONTROL/PROCEDURES	CORRECTIVE ACTION	PERSONNEL RESPONSIBILITIES
(1)	MENU DESIGN AND SPECIFICATION STAGE	1. IN ACCORDANCE WITH MANAGEMENT OBJECTIVES 2. PRECISE DOCUMENTATION	1. COST PARAMETERS 2. STAFF SKILLS 3. EQUIPMENT AVAILABILITY	1. TEST 2. REVIEW AND EVALUATE	1. GENERAL MANAGER 2. FOOD AND BEVERAGE MANAGER 3. CHEF
(2)	FOOD PURCHASING	PURCHASE SPECIFICATIONS	1. RECEIVING INSPECTION 2. LOT BY LOT SAMPLING	ACCEPTANCE/REJECTION	1. SUPPLIER 2. STOREPERSON 3. CHEF
(3)	STORAGE	1. STORAGE PROCEDURES 2. INVENTORY CONTROL 3. STORAGE CONDITIONS	1. F.I.F.O. 2. SAMPLING CHECKS 3. STOCK CONTROL CHECKS	WRITE OFFS/ISSUES	STOREPERSON
(4)	PREPARATION	1. STANDARD RECIPES 2. CONTROLLED ISSUES	1. SAMPLING 2. ASSESSMENT AGAINST STANDARDS	1. REMEDIAL/CORRECTIVE ACTION 2. TRAINING 3. MOTIVATION	1. COMMIS 2. SOUS CHEF 3. CHEF
(5)	COOKING	1. STANDARD RECIPES 2. TEMPERATURE SETTING 3. COOKING INSTRUCTIONS 4. COOKING TIMES	AS ABOVE	AS ABOVE	AS ABOVE

Appendix III (Cont'd)

(6)

(7)

(8)

(9)

(10)

CRITICAL POINT	CONTROLS/DOCUMENTATION	CONTROL/PROCEDURES	CORRECTIVE ACTION	PERSONNEL RESPONSIBILITIES
COOKED / COLD FOOD STORAGE	1. HOT PLATE SETTINGS 2. PRODUCTION TIMES 3. GOVERNMENT REGULATIONS HOT FOOD STORAGE >62.7C COLD FOOD STORAGE >10C	1. THERMOSTATIC CONTROLS 2. CHECK ON TIMES 3. SAMPLING 4. CORRECT USE OF EQUIPMENT	1. REGULAR MAINTENANCE OF EQUIPMENT 2. RAPID REPAIR OF EQUIPMENT IN EVENT OF FAILURE	1. MAINTENANCE PERSON 2. CHEF
ASSEMBLY / PORTIONING	1. STANDARD YIELDS 2. DISH LAYOUT 3. GARNISHES 4. TEMPERATURE OF SERVICE DISHES 5. COLOUR PHOTOS	1. COMPARING 2. SCREENING	1. CORRECTIVE ACTION 2. TRAINING 3. DEMONSTRATION	1. CHEF 2. WAITER / ESS
DISTRIBUTION	1. STANDARD METHODS I.E. DISHES COVERED 2. TIME TAKEN IN DISTRIBUTION	SAMPLING CHECKS	1. RETURN TO HEAT	1. CHEF 2. RESTAURANT MANAGER
SERVICE	1. STANDARDS OF PERFORMANCE 2. STANDARD SERVICE METHODS	1. MANAGEMENT SUPERVISION 2. SCREENING BY RESTAURANT MANAGER	1. DEMONSTRATION 2. ON - THE - JOB TRAINING	1. RESTAURANT MANAGER 2. SUPERVISOR
CONSUMPTION	MENU	1. CUSTOMER'S SATISFACTION 2. SENSORY ATTRIBUTES	1. ACCEPTANCE / REJECTION 2. COMPLAINTS	CUSTOMER

Manpower study reveals buoyant industry

The catering industry is among the most buoyant sectors of the economy with more than 4,000 outlets employing more than 64,000 people and set to create up to 2,000 new jobs during 1986.

This is the theme of the first comprehensive study of employment skills and job prospects across the full spectrum of catering undertaken by CERT with the assistance of AnCO and the full co-operation of the industry.

The survey team was led by Mary Ena Walsh, research and planning adviser at CERT and the field work took place during 1984.

Eleven key areas of the catering industry have been surveyed and detailed reports have been produced on each. Six sectoral reports have been published and the remainder will be available before March 1986.

The survey highlights the importance of the hotel and catering industry as one of the country's top employers. It is highly labour-intensive, employing a total of 62,666 people.

The downward slide of employment in the industry in the early 1980's appears to have halted. Employment has now stabilised and shows a small but steady growth. Up to 2,000 new permanent jobs were forecast for the industry by the end of 1985. The main growth areas are hotels, restaurants, popular catering, and industrial catering. Only three of the sectors surveyed remain static or show a slight fall-off.

The Hotel and Catering Industry has a high level of permanent employment. Out of the total of 62,666 employed, 73 per cent of the jobs are full-time permanent. While

25 per cent of hotel and guesthouse employment is seasonal, other sectors average only 6 per cent seasonal employment.

As an industry, it has a low staff turnover, averaging 8 per cent. Of those who change jobs, 50 per cent



Mary Ena Walsh, research and planning adviser at CERT who was co-ordinator of the industry manpower survey.

stay within the hotel and catering industry. It is an industry which permits considerable ease of movement within the various sectors.

Employment in the industry is highest in Dublin at 34 per cent, and in the Cork/Kerry region at 19 per cent.

Hotels and guesthouses remain the largest employers in the industry at 24,698, with hospital catering providing the second highest employment at 11,893. Hospital catering features high job permanency with only 542 staff seasonal or casual.

Chefs emerge as the largest employee group in the industry, followed by waiting staff.

There is a high proportion of owner managers in hotels and restaurants, yet less than one-third have received formal training for hotel or restaurant work. There are very few specialist managers in the industry as a whole.

'Multi-skilling' is becoming a feature of the industry, especially in the smaller hotels and guesthouses. There is growing demand for staff with a range of hospitality skills covering reception, diningroom, bar and housekeeping, and two out of three of the hotels and guesthouses surveyed featured multi-skilling. A new job area is emerging and the hospitality assistant will play a key role in the future of many smaller establishments.

Training provision has made an impact on the hotel and catering industry and over 70 per cent of the industry commented favourably on the standard of trainees emerging. Sixty per cent of hotels and 91 per cent of industrial catering recruit staff from formal training courses. About two-thirds of senior chefs in hotels and restaurants had received formal training.

Restaurants, popular catering, delicatessens and takeaways are highly mobile sectors. Fifty per cent of the restaurants surveyed had opened since 1980; 70 per cent of popular caterers had opened within the past ten years; 73 per cent of ethnic restaurants opened within the past four years; and 93 per cent of delicatessens and takeaways opened within the past ten years.

The industry employs a higher proportion of women overall, averaging 60:40 female to male.

Principal findings of the sectoral surveys were;

HOTELS AND GUESTHOUSES

- * There are 632 hotels and 196 guesthouses in the industry employing 24,700 people.
- * Of the total employed:
13,500 are permanent
6,200 are seasonal
5,000 are casual employees.
- * The male/female split is 33/66.
- * The biggest regions of employment are Dublin and Cork/Kerry.
- * Most establishments are small, employing less than 30 people.
- * There is a high proportion owner/managed businesses.
- * There was a move from permanent full-time employment to permanent part-time and seasonal part-time employment.
- * An overall increase of 500 is forecast (2 per cent) between permanent and seasonal staff. This increase is mainly in the West and South East.
- * About 30 per cent of hotels plan to change the type of service they provide.
- * Twenty per cent of hotels had unfilled vacancies.
- * Difficulties in recruiting were put down to the non-availability of experienced staff and the non-acceptability of working conditions or terms of employment.
- * Overall staff turnover is 8 per cent.
- * Over 60 per cent of those who left stay within the industry; 18 per cent emigrated.
- * The proportion of employees with formal training varies considerably between different occupations.
- * Training is highest among kitchen staff and is a definite benefit to promotion as about two-thirds of senior chefs had been formally trained.
- * About 30 per cent of managers have received formal management training; less owner-managers have received this training. A further 15 per cent have received other types of formal training (not necessarily industry related).
- * Some degree of multi-skilling occurs in two out of every three hotels and guesthouses.
- * Multi-skilling mainly occurs between staff in the bar, restaurant and house.

RESTAURANTS

- * It is estimated that there are 498 restaurants employing 7,500 people.
- * Of the total employed:
5,800 are permanent
660 are seasonal
1,000 are casual employees.
- * The male/female split is 40/60.
- * The largest employment regions are Dublin and Cork/Kerry.

- * Most establishments are family run and small, employing less than 20 people.
- * This is a constantly changing sector and about 50 per cent of establishments had opened since 1980.
- * Restaurants expect an increase of 4 per cent (313) jobs, mainly for permanent staff.
- * At the time of the survey 10 per cent of establishments had unfilled vacancies.
- * Difficulties in recruiting were ascribed to the problem of finding suitable and experienced staff.
- * Staff turnover among permanent staff is estimated at 10 per cent.
- * Staff turnover is highest amongst diningroom staff.
- * Over 50 per cent of those who leave stay in the industry and over 10 per cent had emigrated.
- * Training was highest in the kitchen and is of benefit for promotion as about two-thirds of senior chefs had received formal training.
- * About half of managers had received formal training but only one-third of owner-managers had received formal training in either management or catering skills.
- * There were very few specialist managers.
- * Multi-skilling occurs in about one third of establishments.

3 POPULAR CATERING

- * It was estimated that there are 484 popular catering establishments employing 5,809 people at the time of the Survey.
- * Of the total employment:
4,760 are permanent
434 are seasonal
615 are casual employees.
- * The male/female split is 27/73.
- * The largest employment regions are Dublin and Cork/Kerry.
- * The majority of establishments are family run and small, employing less than 10 people.
- * This is a very mobile sector in which 70 per cent of establishments opened within the past 10 years.
- * An increase of 2 per cent (107) jobs is forecast between permanent and seasonal staff, mainly in the Cork/Kerry and the South-East regions.
- * Twenty-two per cent of establishments plan to change the type of service they provide.
- * Staff turnover is estimated at 8 per cent.
- * Almost 50 per cent of leavers remain within the industry.
- * Levels of training are low in this sector.
- * Seventy per cent of kitchen staff (568 of the total employees) are unskilled.
- * Of the skilled kitchen staff, 25 per cent are trained.



An industry of many skills... our staff which are employed in the operation of

- * Forty-four per cent of general managers were trained, compared with 8 per cent of owner-managers.
- * Multi-skilling occurs in 70% of establishments and amongst all categories of staff.

4 ETHNIC RESTAURANTS

- * It is estimated that there are 12 ethnic restaurants employing 1,320 people.
- * Of the total employed:
1,214 are permanent
11 are seasonal
104 are casual employees.
- * The male/female split is 42/58.
- * The largest employment regions are Dublin and the South-East.
- * Over 90 per cent of these establishments are small, employing less than 10 people.
- * Most establishments are family run.
- * It is a very mobile sector in which 73 per cent of establishments opened in the last four years.
- * No net change in employment levels is forecast.
- * Thirty per cent of establishments



Picture of staff members from Fitzpatrick's Castle Hotel Killiney illustrates the diversity of skills

plan to change the type of service they provide.

- Approximately 10 per cent of establishments had unfilled vacancies, mainly in the Dublin region.
- Staff turnover is estimated at 15 per cent, and occurs mainly in the diningroom.
- Most leavers stay within the industry.
- Overall level of training is low.
- Chefs and some grades of managers are the only occupations with formal training.
- Restaurant managers are the only occupations in the diningroom with formal training.
- Multi skilling occurs in 50 per cent of those restaurants.

CONTRACT CATERING

- There are 11 major contract catering firms employing 2,562 people.
- Of the total employed:
 - 2,260 are permanent
 - 140 are seasonal
 - 162 are casual employees.
- 89 per cent of staff are employed in the kitchen.
- The male/female split is 14/86.

- Most of the firms have their head offices in Dublin but the personnel employed by them may be deployed throughout the country.
- Most employees are permanent.
- Total employment is expected to increase by 5 per cent (110), mainly in kitchen and management.
- One-third of establishments plan to alter the services they offer.
- Staff Turnover is negligible (less than 2 per cent).
- All senior chefs are trained.
- Over 50 per cent of other staff are trained.
- Forty per cent of managers are trained.
- Sixty-four per cent of firms have multi-skilling but only 35 staff are involved.

IN-HOUSE CATERING

- It is estimated that there are 61 establishments providing in-housing catering and employing 783 people — mainly in permanent jobs.
- The male/female split is 10/90.
- Fifty per cent of establishments are in Dublin.
- No change in employment numbers is predicted.

- Staff turnover is less than five per cent.
- There is a high level of training among skilled staff and managers.
- About 50 per cent of outlets had multi-skilling.

CARRIERS

- There are seven major carriers employing a total of 1,340 people.
- Of those employed:
 - 990 are permanent
 - 349 are seasonal employees.
- The male/female split is 75/25.
- Fifty per cent work in the kitchen.
- An increase of 70 per cent (90) is forecast, all in kitchen.
- One quarter of the firms planned to alter the type of service they provide.
- No carriers had unfilled vacancies.
- Two firms regarded staff turnover as a problem, but no valid figures were available.
- There is a high level of training in this sector.
- Two firms had multi-skilling. This occurs in the unskilled areas and involves 250 people.

HOSPITALS

- It is estimated that there are 270 hospitals that provide their own catering service.
- These hospitals employ 11,893 catering staff.
- Of these:
 - 11,351 are permanent employees
 - 109 are seasonal employees
 - 433 are casual employees.
- The male/female split is 17/83.
- The largest employment region is Dublin, followed by Cork, Kerry.
- Most hospitals employ between 10 and 30 people in their catering function.
- About 25 per cent of establishments plan to change the type of service they provide, mainly in relation to menu and food service.
- An increase of less than one per cent of staff is forecast.
- Four per cent of establishments had unfilled vacancies in the kitchen.
- Overall staff turnover is about two per cent and is not considered a problem.
- General recruitment problems are experienced by 10% of establishments.
- Sixty-eight per cent of establishments have staff who regularly work in more than one department.

INSTITUTIONAL CATERING

- It is estimated that there are 201 institutions that provide a catering



CERT chairman, Jim Nugent and director, Brendan Leahy announcing the findings of CERT's Manpower Survey of the Hotel and Catering Industry.

service employing 2,555 catering staff.

- * Of the total employed:
2,150 are permanent employees
251 are seasonal employees
154 are casual employees.
- * The male/female split is 16/84.
- * Employment is well scattered throughout the country.
- * Almost 60 per cent of kitchen staff are unskilled.
- * Most establishments employ less than 10 people.
- * Very little change in numbers employed is forecast.
- * Fourteen per cent of establishments intend to change the type of service they provide.
- * Ten establishments had unfilled vacancies — all in kitchen.
- * Recruitment difficulties seem to occur mainly in the Dublin region and Midlands region.
- * Average staff turnover is 11 per cent and 50 per cent of those who leave stay within the industry.
- * Fifty-seven per cent of establishments have multi-skilling.

10) BAR FOOD

- * It is estimated that there are 154 bar food outlets employing 1,705 people.
- * Of the total employed:
1,498 are permanent employees
are seasonal employees
154 are casual employees.

- * The male/female split is 54/46.
- * While employment is scattered throughout the country, Dublin, followed by the South-East are the major employment regions.
- * Sixty-five per cent of establishments are owner/managed and the average number of staff employed is eleven.
- * Fifty per cent of establishments have opened in the last ten years.
- * Twenty-five per cent of outlets planned to make changes in their business, mainly in the food area.
- * Permanent employment is expected to show a small increase but a decrease is expected in part-time and casual employment in the bar area.
- * Very few outlets had unfilled vacancies at the time of the survey but 38 per cent said that they did experience difficulties in recruiting, mainly for bar persons.
- * Staff turnover was about 10 per cent and 40 per cent of those who leave stay within the hotel and catering industry.
- * Levels of training vary:
— On average 45 per cent of the skilled kitchen staff are formally trained;
— There is a very low level of formal training amongst bar staff;
— Thirty per cent of owner-managers are trained.
- * About 50% of establishments had multi-skilling, involving bar service and food service and bar service and food preparation.

11) DELICATESSENS AND TAKEAWAYS

- * It is estimated that there are 324 delicatessens and takeaways, employing 1,598 people.
- * Of the total employed:
1,347 are permanent employees
40 are seasonal employees
211 are casual employees.
- * The male/female split is 40/60.
- * The largest employment region is Dublin.
- * All establishments are small; none employed more than 15 people and 66 per cent employed less than six people.
- * Most establishments are family run.
- * Ninety-five per cent of establishments opened within the past ten years; 54 per cent within the last four years.
- * This sector forecasts an increase of three per cent (90) jobs, mainly in the kitchen.
- * Eighteen per cent of establishments plan to change the type of service they provide.
- * Staff turnover is estimated at 16 per cent, most movement is to non-catering jobs.
- * The overall level of training is low.
- * Only a small number of chefs and 13 per cent of non-owner/managers had received relevant formal training.
- * About 60 per cent of establishments have multi-skilling and it involves those working in both the kitchen and restaurant areas.

12) SPORTS AND SOCIAL CLUBS

- * It is estimated that there are 50 sports and social clubs employing 884 catering staff.
- * Of the total employed:
468 are permanent employees
143 are seasonal employees
273 are casual employees.
- * The male/female split is 32/68.
- * The largest employment region is Dublin.
- * Most establishments are private companies and employ nine or less permanent staff.
- * Overall restaurant is the largest department, but kitchen has the largest number of permanent employees.
- * No changes in employment were expected.
- * It would seem that clubs experience very little recruitment or turnover difficulties.
- * Seven per cent of establishments had difficulties in getting casual staff.
- * There is a low level of formal training in this sector.
- * There is a certain amount of multi-skilling involving staff in all departments.

Appendix V

Interview Content - Contract Catering Executive.

PART A - C.E.R.T. Report)

- (1) The number of major Contract Caterers in Ireland
- (2) Numbers of staff employed. Categories.
- (3) Payout Conditions
- (4) Staff Training and Development
- (5) Other Comments.

PART B - Industry Position and Role of Quality Assurance

- (1) Membership of A.I.C.C. (Association of Irish Contract Caterers)
- (2) Size of Organisation - i.e. number of Contracts. Types of Contracts.
- (3) State of the Market - Growth/Decline. Saturation.
- (4) Business Activities. Services Provided. Type and Level
- (5) Why should a Firm employ a Contractor instead of catering themselves?

What are the advantages?

What are the disadvantages?

(6) Quality:

(A) Level of Commitment:

How important is it? "Cultural Climate) of the Contract Catering Organisation. Company Policy. Objectives. How often do you critically evaluate every aspect of your operation? Audits. Quality Manual. Quality leadership. Who is responsible for Quality?

(B) How are Quality levels set?

Customer profit + requirements. Market research. Marketing strategies. Quality viz-a-viz other factors. Price, availability. Quality. Opposition. Is quality taken for granted? Level of documentation.

(C) Setting Product and Operational Standards:

What Catering system, traditional, level of technology.
Raw Materials - specifications, evaluation, inspection
Processing - Equipment, selection, maintenance, inspection
Environment - Treatment design, decor, building construction
Personnel - Recruitment, selection training, motivation
Technical and behaviour skills, service parameters
Documentation - Level of,

(D) Checking Performance and correcting non-Standard output

Service - operational controls, time, temperature, food checks, sensory, customer surveys, audits, M.B.W.A. Statistical Analysis. Budget conformance, employee performance. Complaints. Is there a reliable, regular, accurate and fair system of checking and correcting output?. Is it documented? Quality improvement programmes.

Appendix V (Cont'd)

- (7) What are your Marketing strategies?
- (8) Advantages/Disadvantages of Vending Machines.
- (9) Industrial Relations (H.M.R.)
 - Pay and Conditions
 - Pension Plans
 - Redundancy

PART C - Future Trends:

- (1) Likely future trends?
- (2) Any other comments?

Appendix VI

Senior Management (Host Organisation) Interview Content

- (1) How many activities in your organisation are contracted out?
(i.e. Security, Cleaning, Catering etc). What are the trends
in Contracting out?
 - (2) Why did you choose to contract out/not to contract out the
Catering activities? What are the advantages and disadvantages?
 - (3) Who is responsible for the Catering Policy and who is responsible
for routine catering decisions? To whom does the Catering
Manager report? Why?
 - (4) Why do you offer Catering facilities to your staff?
What effect on Industrial Relations?
 - (5) What are the organisations future plans for the Catering Service?
What factors would initiate a change?
 - (6) How "integrated" are the Catering staff with the other staff in
the Organisation? Are the Catering staff unionised?
- OR
- What criteria are used in selecting a Contractor?
- What kind of contract do you operate?
- (7) What is your opinion of the Catering Service provided?
How often do you monitor the Quality of the Catering Service?
What Criteria are used?
 - (8) General Comments:

(Appendix VII)

Quality Audit (Consumer Questionnaire)

Dear Customer,

We would kindly ask you to fill in the enclosed questionnaire. The purpose of this questionnaire is to identify ways in which the food service may be improved. Your help in this matter is greatly appreciated.

The Management

(General Instructions)

- 1) This questionnaire is divided into 5 Sections
 - Section A - Food
 - Section B - Service
 - Section C - Cleanliness and Hygiene
 - Section D - Decor and Restaurant Environment
 - Section E - Overall Satisfaction.
- 2) All answers to this Questionnaire will be strictly confidential.
- 3) Please place a tick in the box provided opposite the answer you feel most closely reflects your opinion.
- 4) If you feel that the listed answers do not accurately reflect your views, feel free to write your response in the space provided at the end of each section.

Office Use
only

Card No.

I.D. No.

(Respondent)

Appendix VII (Cont'd)

Section A - Food

	Very attractive	Attractive	Neither attractive nor unattractive	Unattractive	Very U _N - attractive				
						1	2	3	4
1. Is the appearance of the Food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5		
	Excellent	Good	Neither good nor bad	Poor	Very Poor				
2. Is the variety/choice of Food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6		
	Always Piping hot	Always hot	Inconsistent (varies)	Always lukewarm	Always cold				
3. What temperature is the hot food served at?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7		
	Too large	Just right	Inconsistent (variable)	Small	Unaccep- tably small				
4. Do you think portion sizes are	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8		
	Excellent	Good	Inconsistent (variable)	Poor	Very Poor				
5. Rate the overall quality of the food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9		
General comments on the Food:						<input type="checkbox"/>	10		

Appendix VII (Cont'd)

Section B - Service

	Very short	Short	Inconsistent (variable)	Long	Very long	
1. Is queuing time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 11
	Very Clear	Reasonably Clear	Inconsistent	Unclear	Not displayed/ Not visible	
2. Are the Menus clear/well displayed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 12
	Very disor- ganised	Well Organised	Inconsistent	Somewhat disor- ganised	Very Disorganised	
3. Does the Food Service area appear organised/efficient?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 13
	At least once a month	Once a Quarter	Once a year	Less than once a year	Never	
4. Are you ever asked for your opinions on Food and Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 14

Appendix VII (Cont'd)

		Very helpful	Quite helpful	Inconsistent	Not very helpful	Very Unhelpful	
5.	Are the Catering Staff helpful/courteous	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 15
		Always	Most of the the time	Occasionally	Dont know/ Never asked	Never	
6.	If you do not like any of the menu items on offer, are the staff willing to prepare you something different?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 16
		Very well	Well	Dont know	Poorly	Very poorly	
7.	If you had a complaint, how do you think the Catering Staff would deal with it?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 17
		Excellent	Good	Inconsistent	Poor	Very poor	
8.	How would you rate the overall quality of the Service in this Restaurant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 18
	General Comments on Service:						<input type="checkbox"/> 19

Appendix VII (Cont'd)
Section C - Cleanliness and Hygiene

	Always	Most of the time	Inconsistent	Rarely	Never	
1. Are the staff neat/clean/ presentable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 20
2. Is the food handled in a hygienic manner at the counter (service area)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 21
3. Are the Areas you can see (kitchen and service area) maintained in a clean/ neat manner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 22
4. Is the Seating area maintained in a clean/ neat manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 23

Appendix VII (Cont'd)

	Always	Most of the time	Inconsistent	Rarely	Never	
5. Are the toilets maintained in a clean/neat manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 24

	Excellent	Good	Inconsistent	Poor	Very Poor	
6. How would you rate the overall quality of the cleanliness/hygiene of the Restaurant?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 25

General comments on Cleanliness and Hygiene:

☐ 26

Appendix VII (Cont'd)

Section D - Decor and Restaurant Environment

		Always	Most of the time	Inconsistent	Rarely	Never	
1.	Do you find the Restaurant pleasant/welcoming	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 27
2.	Are you satisfied with the general decor?	Satisfied <input type="checkbox"/>	Satisfied <input type="checkbox"/>	Neither satisfied or Disatisfied <input type="checkbox"/>	dis-satisfied <input type="checkbox"/>	Very dis-satisfied <input type="checkbox"/>	<input type="checkbox"/> 28
3.	Are the seating/table arrangements comforable?	Very Comfortable <input type="checkbox"/>	Comfortable <input type="checkbox"/>	neither comfortable nor uncom- fortable <input type="checkbox"/>	Uncom- fortable <input type="checkbox"/>	Very uncom- fortable <input type="checkbox"/>	<input type="checkbox"/> 29
4.	How would you rate the overall quality of the Decor/Restaurant Environment?	Excellent <input type="checkbox"/>	Very good <input type="checkbox"/>	Average <input type="checkbox"/>	Poor <input type="checkbox"/>	Very poor <input type="checkbox"/>	<input type="checkbox"/> 30
General comments on Decor/Restaurant Environment:							<input type="checkbox"/> 31

Section E - Overall Satisfaction

	Very good Value	Good Value	Don't know (Unsure)	Poor Value	Very Poor Value	
1. Do you think this Restaurant gives you value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 32
	Totally Satisfied	Satisfied	whether satisfied or dissatisfied	dis- satisfied	Totally Dissatisfied	
2. Rate your overall satisfaction with the catering service provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 33
3. What <u>should</u> be the most important consideration in a Restaurant such as this. Please note we have left a number of blank spaces to allow you to indicate features, other than those listed.						
	Extremely Important	Important	Neither Important Unimportant	Unimportant	Entirely Irrelevant	
Food	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 34
Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 35
Value for money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 36
Cleanliness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 37
Atmosphere/Decor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 38
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 39
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 40
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 41

Please fill in

Appendix VII (Cont'd)

General Details:

Male ☐

Female ☐

☐ 42

Age: Under 25 ☐ 26 - 35 ☐ 36 - 45 ☐ 46 - 55 ☐ 56 - 65 ☐ 65 + ☐

☐ 43

Position in Company (Occupation) _____

☐ 44

Number of Breaks: 1 ☐ 2 ☐ 3 ☐ 3+ ☐

☐ 45

Length of Break: 15 mins ☐

☐ 46

" " " 30 mins ☐

☐ 47

" " " 1 hour ☐

☐ 48

Thank you for your co-operation.

APPENDIX VIII

Quality Audit Checklist (Management System)

Organisation Name: _____

Tel No. _____

Address: _____

Location of Facility:

Contact's Position in Company

Date of Visit.

What Product Certifications held?

What Quality Certifications held?

Grading System. See Section (23)

Summary of Audit Checklist

Quality Policy:

- (1) Setting Policy. (2) Responsibility. (3) Review
- (4) Documentation - General. (5) Documents.

Setting Product and Operational Standards:

- (6) Specifications - General. (7) Specifications - Purchasing
- (8) Receiving Goods. (9) Traceability (10) Storage
- (11) Preparation/Production. (12) Product holding - prior to Service.
- (13) Equipment/Environment (kitchen). (14) Equipment/Environment
(Restaurant). (15) Service Performance - Procedures.
- (16) Service Performance - conviviality.

Checking Performance/Correcting non-standard output.

- (17) Procedures for checking Performance. (18) Consumer Satisfaction.
- (19) Auditing. (20) Staff Training. (21) Taking action
- (22) Grading System. (23) Summary Sheet

Appendix VIII (cont'd)

Quality Policy:

YES	NO
-----	----

(1) (Setting policy)

Are management quality policy and objectives clearly defined?

(Is there a Quality policy?) . Is there objective evidence that this policy and objectives are widely known to the workforce? Is there objective evidence of the implementation and maintenance of this policy? (i.e. what means are used to put a Quality Policy into effect for image, atmosphere, service, value for money, customer participation)

Key aspects are: Acceptable/Consistent Product : adequate cleanliness, hygiene, safety : efficient preparation/production service, feedback systems : pleasant working environment : profitability and cost effectiveness:

Comments:

Overall Assessment	A	B	C	D	E
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Appendix VIII (Cont'd)

2. (Responsibility)	Yes	No
---------------------	-----	----

Are those responsible for QA and QC clearly named and defined?

Are the duties/responsibilities of the Quality function clearly understood? (Is responsibility balanced? Have those so named adequate authority, ability and training? Has the Quality Manager adequate resources)?

Comments:

A B C D E

Overall Assessment:

3. (Review)	Yes	No
-------------	-----	----

Is there a regular review of the Quality System to ensure continued suitability/effectiveness?

Are these reviews recorded?

Is there a follow-up procedure?

How are Quality levels established?

Who establishes quality levels?

What methods are used to establish Quality levels?

Comments:

A B C D E

Overall assessment

Appendix VIII (Cont'd)

4. (Documentation - General)

Yes

No

Is the Quality System adequately documented by a Quality Manual (description of Quality system, objectives, policies, plans).

Is the Quality Manual maintained and available? Is the Quality Manual updated as required? Is there a Quality Plan adequately defining tests/Inspections of the finished product?

Is that Quality Plan properly implemented?

Comments:

A B C D E

Overall assessment:

5. (Documents)

Yes

No

Are all documents related to Quality and Production available as required? Is there a review procedure for such documents?

Are changes to documents authorised by Management? Are there documented standards of performance and related work instructions for

Kitchen

Management

Menu/Wine Lists

Other

Comments:

A B C D E

Overall assessment

Appendix VIII (Cont'd)
Setting Product and Operational Standards

6. (Specifications - General)

Yes

No

Are there specifications for menu planning and design? Are there specifications for hygiene? (Personal, Work practices, work areas, premises).

Are there procedures for first aid, fire, emergencies, security? Does the "Goods inwards Dept" have access to purchase documentation?

Are suppliers assessed?

Are suppliers audited?

Comments:

A B C D E

Assessment:

7. (Specifications - Purchasing)

Yes

No

Are purchasing specifications clear?
i.e. name of supplier, type, grade, trends,
size, weight, cost, parameters, yields etc?

Do purchased goods (raw materials) conform
to purchase specifications?

Are supply procedures and Inspection
methods adequate?

Documentation

Review of purchasing specifications

Comments:

A B C D E

Assessment:

Appendix VIII (Cont'd)

8. (Receiving goods)

Yes

No

Are facilities adequate (time, temp weighting, equipment)? Are supplying and receiving specifications understood and adhered to? (Refrigerated goods, dry goods, frozen, fresh). Who (level) receives the goods? Do receiving methods prevent damage/deterioration? What is the level of inspection/visual, weight, time/temperature)? Treatment of non-conforming materials? Inspection of delivery vehicle? Inspection of receiving ~~AREA~~ and equipment. (How often)? General level of hygiene/cleanliness/safety? Documentation (recording) Review of receiving procedures?

Comments:

A B C D E

Overall assessment:

9 Traceability

Yes

NO

Are there adequate procedures for maintaining identifiability and traceability of product during

- 1) Storage
- 2) Production
- 3) Service

Comments:

A B C D E

Overall assessment

Appendix VIII (Cont'd)

(10)	(Storage)	Yes	No
	<p>Are storage specifications and regulations understood and adhered to? (Stock rotation, stock separation, levels, ventilation). How regularly is storage equipment checked/maintained? (fridges/freezers). What back up facilities available, in case of break down? Are temperatures recorded? How? Verification charts?</p> <p>Level of cleanliness and hygiene and safety?</p> <p>Do storage conditions prevent damage/deterioration?</p> <p>Random monitoring? Are storage areas secure?</p> <p>Review of storage procedures.</p> <p>Records (documentation)</p> <p>Comments:</p> <div style="text-align: right; margin-right: 100px;">A B C D E</div>		
	<p>Overall assessment:</p>		
(11)	(Preparation/Production)	Yes	No
	<p>Are preparation/production processes and standards adequately identified? Are such processes adequately controlled? Are detailed work instructions/standardised recipes etc. prepared for all items? Are such instructions available? Up to date?</p> <p>Reviewed regularly? Level of support material (pictures/drawings etc)</p> <p>Randon Inspection. Sensory?</p> <p style="padding-left: 150px;">Scientific?</p> <p>How frequent?</p>		

Appendix VIII (Cont'd)

Time/Temperature: Is control adequate?

Portion Control: Is it adequate?

Waste Control: Waste Disposal

Hygiene cleanliness and Safety Levels

Documentation (Recording)

Review Procedures.

Comments

A B C D E

Overall Assessment

(12) (Product Holding - Prior to Services)

Yes No

Are Food Holding Processes adequately identified?

Are Food Holding processes adequately controlled?

Time/Temperature monitoring - How adequate?

Rotation and Tagging (identification) strictly
enforced?

Hygiene, safety, cleanliness levels

Documentation.

Monitoring - (checks, inspections)

Review of Procedures.

Comments

A B C D E

Overall Assessment

Appendix VIII (Cont'd)

(13)	Equipment/Environment (kitchen)	Yes	No
------	---------------------------------	-----	----

Does equipment match requirements of the menu?
(capacity, output, quality level).

Is equipment easy to maintain and clean?

Are operating instructions communicated and
understood?

Are operating instructions adhered to?

Does the kitchen environment (layout, design)
facilitate agreed work practices?

Do physical surroundings (light levels, noise,
decor, size of work area) promote work
practices conducive to quality attainment?

What procedures are used in cases of equip-
ment failure (what "back-up").

Speed of work - does it facilitate quality
practices?

What is the level of staff facilities?

What is the level of cleanliness of staff
facilities?

Who cleans/maintains the staff facilities?

Levels of Hygiene and Safety

Documentation

Review of Equipment/Environment

Comments:

A	B	C	D	E
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Overall assessment

Appendix VIII (Cont'd)

(14) Equipment/Environment (Restaurant)

Yes

NO

Does Restaurant "Environment" (Image, Atmosphere/
facilities) conform with planned "Customers
Expectations" and arrangements?

How is restaurant "environment" decided and
by whom? (By surveys/Audits, by Host organ-
isations, other means)?

Condition of Building, walls, ceilings, floors?

Condition of toilets, rest areas etc?

Who is responsible for cleaning/maintenance
of customer areas?

Is there a documented system for cleaning/
maintenance of restaurant?

Is this communicated/understood?

Are adequate equipment/facilities available
to maintain agreed cleaning/maintenance levels?

Documentation

Review Procedures

Comments:

A B C D E

Overall assessment

Appendix VIII (Cont'd)

(15) (Service Performance - Procedures)

Yes

No

Is there evidence of a smooth progression/
delivery of food go guest?

Are staff working at a steady/comfortable rate?

Are customer queue's overlong?

Is the customer length of time in the queue
correct? (Customer not waiting in a line
longer than designated time)?

Is queue time correct for all menu items?

Are tables cleaned and re-set within agreed
time limits?

Is an adequate supply of materials (napkins,
cutlery etc) available all the time?

Are menus clearly understood by staff and
clearly communicated to customer?

Are there regular checks on customer satisfaction?

Can menu items be adjusted to meet customer
desires? (i.e. can special requests be
accommodated)?

Is there a visible managerial presence?

How 'active' is management with both staff
and customers.

Level of Hygiene, safety, cleanliness (Plant
and equipment, staff, work practices)?

Closing down procedures

Review procedures.

Documentation.

Comments:

A B C D E

Overall assessment

Appendix VIII (Cont'd)

(16) (Service Performance - Conviviality)

Yes

No

How pleasant/co-operative are staff?

(enthusiastic, visibly happy, positive)

Are special needs catered for?

(Senior citizens, children, handicapped)?

Tone of voice?

Body language, posture, grooming, hand and
arm movements. Smiling, facial expressions?

Use of customers' names?

Helpful/suggestive sales selling (Menu
knowledge)?

Tactful language, proper etiquette, absence
of slang?

Gracious problem solving - positive approach
to customer complaints/comments?

Time keeping?

Level of hygiene, cleanliness, safety?

Review procedures?

Documentation.

Comments:

A B C D E

Overall assessment

Appendix VIII (Contd)

Checking Performance/Correcting Non-Standard Output

(17)	(Procedures for Checking Performance)	Yes	No
------	---------------------------------------	-----	----

Are there clear procedures for the identification of non-conforming products.

(Investigation)?

Is there evidence that all required tests are being carried out at the correct rate?

Is there a consistent system of recording the results of all tests/inspections?

Are these results subject to regular review by Senior Management?

Is all inspection, test equipment subject to regular tests (i.e. calibration)

Can a product by-pass a required inspection, by accident/error?

Is relevant scrap/rework data recorded?

Is reworked/repaired product subject to normal test/inspection procedures?

Hygiene levels (staff, equipment, plant, practices) checked on a regular basis?

Review of procedures.

Comments:

A B C D E

Overall assessment:

Appendix VIII (Cont'd)

(18) (Customer satisfaction) Yes No

Is consumer satisfaction monitored?

What methods are used?

Are these methods documented?

How often?/structure of assessment?

What customer complaints procedures exist?

How "active" is management (M.B.W.A)?

Are these results subject to regular Senior
Management review?

Budget conformance analysis (consumer satis-
faction and Sales versus Quality costs)

Documentation

Review of procedures.

Comments:

A B C D E

Overall assessment:

(19) (Auditing) Yes No

Are Quality Audits carried out?

Are Quality Audits carried out without
prior notification?

Who carries out the Quality Audits (how independent)?

Do these Quality Audits form part of the
Management Review?

Are Audit results recorded?

Is there evidence of adequate follow-up procedures
of implementation of correction action?

Comments:

A B C D E

Overall assessment:

Appendix VIII (CCont'd)

(20) (Staff Training)

Yes . No

Is there an organisation Training Policy?

Procedures for identifying training needs?

Training records?

Who provides the training?

Are the Trainers qualified in Quality concepts?

How often are Training Programs held?

Who (grade of staff) is trained?

Are hygiene Audits carried out?

How often?

Are hygiene Audits recorded?

What follow-up procedures?

Are Quality improvement programs instigated?

Documentation

Review procedures.

Comments:

A B C D E

Overall assessment:

(21) (Taking action)

Yes

No

How is the cause of performance variation established? Is it -

- * Management setting incorrect quality levels?
- * Is it incorrect analysis of performance (materials, equipment, environment, staff)?
- * Lack of communication to staff?
- * Other

How quickly is action taken?

Who is involved?

Is the system reliable, regular, accurate and fair?

Documentation.

Review.

Comments:

A B C D E

Overall assessment

(22) (Grading System)

- A = Excellent
- B = Very good
- C = Acceptable
- D = not acceptable
- E = Totally unacceptable

Any organisation receiving less than "A" or "B" is deemed not to have an adequate quality system.

Appendix VIII (Cont'd)

(23) Summary Sheet:

Graded A in the following categories:

Graded B _____

Graded C _____

Graded D _____

Graded E _____

Result:

Comments:

Signed: _____

Date: _____

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