towards social consequences and oriented on food security and safeness. It is advisable to use both legislative administrative methods and economic mechanisms to prevent environmental and food hazards. Political support to the agriculture sector must be strong.

References

THE SERVICE QUALITY MANAGEMENT CHALLENGES
(THE CASE OF GEORGIAN HOTEL BUSINESS)

Summary. With the increasing number of tourist in Georgia, the number of accommodation facilities is also increasing. The large number of small non-branded local hotels (up to 20 rooms) are represented in the Georgian hotel market. Due to the vicious practice of hotel star ratings in Georgia, the quality of non-branded local hotel services can’t provide a proper competitive advantage comparatively to branded hotels. Consequently, the study of the issues related to the quality of service in the hotel business is relevant.

The main goal of the study is to identify the challenges of service quality management provided by the local non-branded hotels in Georgia. Quantitative and qualitative methods were used in the research process. As well as the methods of statistical analysis, comparison and grouping. The research revealed challenges of service quality management in the hotel business of Georgia, and solution of which greatly enhances the quality of service.

keywords. Hotel business, hotel service, service quality management.

Introduction. Georgia's tourism industry is growing rapidly. The number of tourists and accommodation facilities is increasing every year. For example, in 2019, 87 hotels with 2,400 rooms were opened in Georgia (3). Along with the rapid growth the number of tourists and accommodation facilities, quality management of services is becoming a challenge for the local non-branded hotels. While customer-centric services, offering additional benefits to the clients and attaining customer loyalty tend to become increasingly demanding on global scale, owners of newly opened facilities in Georgia, for many reasons, often find it difficult to achieve the quality of services that tourists expect (1). Satisfied tourists with a high quality of service are an essential element of the future sustainable development of the Georgian hotel business and therefore of tourism. Whereas justifying customer expectations with the qualitative service is the key to success in a service business.
**Purpose.** The principal aim of the article is to identify the challenges of service quality management provided by the local non-branded hotels in Georgia.

**Results.** According to the latest data from the National Statistics Office of Georgia: In 2019, the number of visits by international visitors made up 7.7 million, which is 7.3 percent higher compared to 2018. The number of international visitors equaled to 6.1 million and the international visitors have made 5.1 million tourist-type visits, which is 6.8 percent higher compared to the previous year (6).

In parallel with the growth of tourism, the number of tourist accommodation facilities are growing the record. As of February 6, 2020, 2,575 accommodation units, with 38,915 rooms and 94,438 beds, have been registered at the Georgian National Tourism Administration database (2). (See Table №I)

<table>
<thead>
<tr>
<th>Category</th>
<th>Quantity</th>
<th>Number of Rooms</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel</td>
<td>1013</td>
<td>27,617</td>
<td>63,090</td>
</tr>
<tr>
<td>Family Hotel</td>
<td>1008</td>
<td>6,740</td>
<td>17,881</td>
</tr>
<tr>
<td>Guesthouse</td>
<td>399</td>
<td>2,926</td>
<td>7,776</td>
</tr>
<tr>
<td>Other</td>
<td>155</td>
<td>1,632</td>
<td>5,691</td>
</tr>
</tbody>
</table>

Source: Georgian National Tourism Administration (updated 06.02.2020)

According to the National Tourism Administration of Georgia, 87 hotels with 2,400 rooms and 5,167 beds were opened in Georgia in 2019 (3). It should also be noted that, 83% (2128) out of 2,575 registered accommodation facilities in Georgia have a capacity of 20 or less room (2). (See Table №II)

<table>
<thead>
<tr>
<th>Region</th>
<th>5 or less rooms</th>
<th>6-10 rooms</th>
<th>11-20 rooms</th>
<th>21 or more rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia</td>
<td>936</td>
<td>671</td>
<td>521</td>
<td>447</td>
</tr>
<tr>
<td>Ajara</td>
<td>68</td>
<td>133</td>
<td>147</td>
<td>132</td>
</tr>
<tr>
<td>Guria</td>
<td>33</td>
<td>16</td>
<td>35</td>
<td>27</td>
</tr>
<tr>
<td>Tbilisi</td>
<td>95</td>
<td>119</td>
<td>135</td>
<td>146</td>
</tr>
<tr>
<td>Imereti</td>
<td>110</td>
<td>70</td>
<td>48</td>
<td>33</td>
</tr>
<tr>
<td>Kakheti</td>
<td>135</td>
<td>49</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>Mtskheta-Mtianeti</td>
<td>83</td>
<td>45</td>
<td>31</td>
<td>18</td>
</tr>
<tr>
<td>Racha-Lechkhumi, Lower Svaneti</td>
<td>48</td>
<td>16</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Samegrelo-Upper Svaneti</td>
<td>302</td>
<td>138</td>
<td>30</td>
<td>15</td>
</tr>
<tr>
<td>Samtskhe-Javakheti</td>
<td>41</td>
<td>74</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>Lower Kartli</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Inner Kartli</td>
<td>12</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Georgian National Tourism Administration (updated 06.02.2020)

In order to fully evaluate the challenges of the service quality management, it’s essential to identify important features in hotel industry that directly impact both the quality of service provided to guests and the perceived service quality of guests.
One example of the challenge associated with service quality management of hotels is the fact that in Georgia it still doesn’t exist, local internationally recognized voluntary rating system for non-branded Georgian hotels, which will differentiate the hotels according to the various parameters and at the same time it will give the tourists an idea about the services quality provided by the local hotels. Consequently, a vicious practice is established in the Georgian hotel market, according which owners with their "subjective" discretion "attach" the "stars" to the hotels. Which has a negative impact on both to the local hotels and to the touristic image of the country (8).

Challenges related to service quality management are highlighted in the Travel and Tourism Competitiveness Index 2019 report of the World Economic Forum (WEF). According to which Georgia's tourism competitiveness was ranked 68th out of 140 countries in the world, and if we delve into the report, we will find some more interesting indicators such as: Qualification of the labour force - 70th place, Extent of staff training - 112th place, Degree of customer orientation - 117th place, Ease of finding skilled employees - 111th place, Pay and productivity - 85th place (9).

According to the „Survey of Labour Market Demands in the Tourism Industry 2018“ of the Ministry of Economy and Sustainable Development of Georgia the challenges related to the service quality management includes the difficulties of finding qualified staff, as well as the low levels of interest from the hotels executives regarding to the developing and implementing staff qualification and motivation strategies or programs.

For more details: According to the international statistical classification of economic activities - NACE Rev.2, (business sector related to tourism industry) this survey is a full-scale exploration of tourism employers and identifies important problems. The enterprises were selected from the database of non-financial corporations operating in Georgia (about 130 thousand active enterprises). The General quantity constituted 8,417 enterprises of which 1000 enterprises (25 large enterprises and 129 medium enterprise are covered in full) were selected for survey (4).

The study revealed that:

• The reasons for the failure of vacant positions mostly were the lack of qualifications, experience of applicants, and their expectations for a high salary. Over-qualification and high competition from other employers have never been mentioned as the reasons for the failure to fill vacant positions.

• Causes of filling in vacant positions are different by certain occupational groups, namely, when filling in vacancies for managers and service providers, the main problem was their qualification and the lack of experience, while in case of recruiting elementary workers - low wages offered.

• According to the survey, involvement of enterprises in the development of human capital is very limited, which is substantiated by the fact that only 5% of enterprises (409 enterprises) have employees who have been participated in different types of trainings during the last 12 months.

• Only 16% of enterprises (1378 enterprises) have a strategy of education and retraining of employees. Regarding the staff motivation, in most cases the enterprises do not use any mechanism (53,5%) in this direction and are limited by awarding a commendation (20,9%) and and issuing monetary remuneration (17,8%). At the same time, only 4.5% of enterprises mentioned the promotion and 2.2% - a valuable gift (4).

The challenge of service quality management also is an overtime duration of workweeks in the hotel business (7). According to the statistics „Average number of usual weekly hours of work by kind of activity (Nace rev. 1.1) and sex in main job, 2017-2018“ released by the National Statistics Office of Georgia, it turns out that the average number of hours usually worked (hours usually worked means the hours which are most commonly worked per week by
persons during a long period and it includes all usual overtime. Employed who could not
determine average number of usual weekly hours not included in the calculation) per week in
major hotels and restaurants were 47.4 hours for female and 52.2 hours for male in 2017. As of
2018, that has been increased to 51.1 hours for female and 55.6 hours for male (5). It should also
be noted that according to the Georgian Labor Code: „An employer shall determine the duration
of working time not to exceed 40 hours a week; and the duration of working time in enterprises
with specific operating conditions requiring more than eight hours of uninterrupted
production/work process must not exceed 48 hours a week. The Government of Georgia shall
compile a list of industries with specific operating conditions. Working time shall not include
breaks and rest time.“ (7). Therefore, based on this statistical data and we can conclude that the
hotel business employees have to work longer than it is defined by the law of Georgian Labor
Code.

**Conclusion.** To summarize, it can be said that the local non-branded hotel business in
Georgia faces the different challenges in managing the quality of service, such as are:

- The absence of internationally recognized local voluntary rating system for non-
branded hotels,
- Difficulty in finding qualified staff,
- The scarcity of existing employees retraining strategies,
- The lack of staff incentive programs,
- Overtime duration of workweeks,
- Low salaries are offered when recruiting beginner qualification workers.

Overcoming the above-mentioned challenges of service quality management, small local
non-branded hotels will be able to increase the number of satisfied customers with their service.
This will improve the hotel's occupancy rate and help them attract more high-end tourists. Which
will make it possible for local non-branded hotels to compete with international brand hotels
operating on the local market.

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