

Analysis on elements of internal control and quality management in hotel enterprises

Análisis sobre elementos del control interno y gestión de la calidad en empresas hoteleras

Análise sobre elementos de controlo interno e gestão da qualidade em empresas hoteleiras

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ABSTRACT

In the work, the topics of internal control and quality management in hotel enterprises were addressed from the perspective of evaluating some aspects that, in the future, ensure their integration into a single management system. Internal control is a tool that allows the members of the organization to act under principles of reasonableness and security in the business activity, while quality management aims to achieve high standards of quality in the provision of services, evidenced in the levels of satisfaction of both internal and external customers. The research was developed in the 16 hotels that exist in the canton "La Maná", Cotopaxi province, Ecuador, with the objective of evaluating the level of certain elements of internal control and quality management. Theoretical and empirical research methods such as the historical and systemic method and observation were applied, a survey was applied to the administrative managers of these hotels and the data were analyzed with statistical techniques as part of the scientific measurement. It was determined that in these enterprises it is important the control environment, the monitoring of customer satisfaction, the implementation of controls in the quality area and the formal structuring of departments to address these activities, which in the future can contribute to the integration of internal control systems and quality management.

Keywords: quality management; internal control; hotel enterprises; integrated management systems

RESUMEN

En el trabajo, se abordaron las temáticas de control interno y gestión de la calidad en empresas hoteleras desde la perspectiva de evaluar algunos aspectos que, a futuro, garanticen su integración en un único sistema de gestión. El control interno es una herramienta que permite a los miembros de la organización actuar bajo principios de razonabilidad y seguridad en la actividad empresarial, mientras que la gestión de calidad aspira a que se logren altos estándares de calidad en la prestación de servicios, evidenciados en los niveles de satisfacción, tanto de clientes internos como externos. La investigación se desarrolló en los 16 hoteles que existen en el cantón "La Maná",

provincia Cotopaxi, Ecuador, con el objetivo de evaluar el nivel de ciertos elementos del control interno y la gestión de la calidad. Para lo anterior, se aplicaron métodos teóricos y empíricos de investigación como el método histórico y sistémico y de observación, se aplicó una encuesta a los gerentes administrativos de dichos hoteles y se analizaron los datos con técnicas estadísticas como parte de la medición científica. Se determinó que en estas empresas resulta importante el ambiente de control, el monitoreo de la satisfacción del cliente, la implementación de controles en el área de calidad y la estructuración formal de departamentos para atender dichas actividades, lo que a futuro puede contribuir a la integración de los sistemas de control interno y gestión de la calidad.

Palabras clave: gestión de la calidad; control interno; empresas hoteleras; sistemas integrados de gestión

RESUMO

Neste estudo, os tópicos de controlo interno e gestão da qualidade nas empresas hoteleiras foram abordados na perspectiva de avaliar alguns parâmetros que, no futuro, irão assegurar a sua integração num sistema de gestão único. O controlo interno é uma ferramenta que permite aos membros da organização agir sob princípios de razoabilidade e segurança na actuação empresarial, enquanto que a gestão da qualidade visa alcançar elevados padrões de qualidade na prestação de serviços, como se comprova nos níveis de satisfação tanto dos clientes internos como externos. A investigação foi realizada em 16 hotéis no cantão de "La Maná", província de Cotopaxi, Equador, com o objetivo de avaliar o nível de certos elementos de controlo interno e gestão da qualidade. Foram aplicados métodos teóricos e empíricos de investigação, tais como o método histórico e sistémico e a observação, foi aplicado um inquérito aos gestores administrativos destes hotéis e os dados foram analisados utilizando técnicas estatísticas como parte da medição científica. Foi determinado que nestas empresas o ambiente de controlo, o acompanhamento da satisfação do cliente, a implementação de controlos na área da qualidade e a estruturação formal de serviços para o atendimento

destas actividades são importantes, o que no futuro pode concorrer para a integração de sistemas de controlo interno e de gestão da qualidade.

Palavras-chave: gestão da qualidade; controlo interno; empresas hoteleiras; sistemas de gestão integrada

INTRODUCTION

Tourism management is recognized in Ecuador as one of the main economic activities that boost the development of localities and the nation. As part of public policy in the economic sphere, specifically in the National Development Plan 2017-2021, the guideline was established to "*Position and strengthen Ecuador as a megadiverse, intercultural and multiethnic country, developing and strengthening the national tourism supply and cultural industries, promoting inbound tourism as a source of foreign exchange and employment in a framework of protection of natural and cultural heritage*" (Ecuador, 2017, p. 106). This is why it is so important to develop effective and efficient management of tourism sector institutions, both small, medium and large, both public and private, which is still a challenge for the sector in the country, as well as an important line of study in the administrative sciences.

In 2019, 61830 lodging enterprises were registered in Ecuador, of which 95.6 % correspond to microenterprises according to the National Institute of Statistics and Census (INEC, 2021). In Cotopaxi, 1687 lodging enterprises are registered, of which 98.1% are microenterprises and the rest are small and medium-sized. This is the situation in general in Ecuador, where smaller enterprises predominate as Quiñonez, Ruiz and Parada (2017) point out, making it a necessity to face the challenges of business competitiveness based on the limitations, both internal and of the national environment, which affect that, despite having a high representation in the business fabric, the results of their economic activity are not what is required.

In the case of localities such as "La Maná" in the Cotopaxi canton, the development of the tourism sector is still limited despite the potential that, from a natural, gastronomic and cultural point of view, the region of the Ecuadorian highlands has. Specifically, hotel

enterprises have the capacity to generate employment and positively influence the areas in which they are located, as long as they develop an efficient and responsible management with society and the environment (Guerrero Dávalos et al., 2020). In this municipality, there are currently 16 hotels, of which 1 has 4 stars, 5 have 3 stars and the remaining 9 have 1 to 2 stars, which shows a low level of compliance with quality standards in hotel activity.

As part of the different business management tools that have the function of improving the administrative activity, in this paper, internal control and quality management are addressed. According to Capote (2001), internal control is considered as the process that allows establishing the parameters and controls to prevent errors and manage the business activity safely. The scope of internal control, according to Quinaluisa, Ponce, Muñoz, Ortega and Pérez (2018), is in the analysis of the efficiency and efficacy of operations, the reliability of information in the organization and compliance with current regulations; all of which will allow the enterprise to more effectively fulfill its mission and objectives. In the practice of internal control, it requires the structuring of systems and processes that tend to achieve these objectives, based on "(...) *properly structured policies and procedures*", as stated by García, Hurtado, Ponce and Sánchez (2021, p. 228).

Precisely, quality management is another process closely linked to the fulfillment of organizational objectives and the achievement of production standards of goods and services to which a enterprise aspires through the implementation of strategies and activities, from an integral perspective, which allows boosting competitiveness and development of organizations (Hernández Palma et al., 2018). These authors study precisely the evolution of the concept of quality, concluding that currently this must be managed under an integral approach, with responsibility of all members of the organization, for which it is necessary to implement initiatives to control the results through the monitoring of indicators, development of audits and other control actions. The above shows the interrelationship that in recent years is given to the practices of internal control and quality management in enterprises, which is also addressed by authors such as Antúnez, Fernández and Delgado (2017), who recognize that they can

be integrated, in turn, with others such as environmental management systems, security and health at work, among others.

In relation to the integration of internal control and quality management, Isaza (2018) indicates that it is a viable strategy for modern enterprises that aspire to be agile, self-sufficient, compliant with legality and the use of their capacities. This author recognizes that *"This approach consists of implementing an organizational scheme that allows managing enterprises through the mastery of their activities, plans, processes, procedures and functions, developing mechanisms that make an Internal Control and Quality Management System, which facilitates the fulfillment of goals and objectives proposed"* (Isaza Serrano, 2018, p. 15). Therefore, there is evidence of the importance of integrating these systems into an Integrated Management System, which allows taking advantage of previous knowledge and experiences in order to achieve a competitive advantage of permanence in the market (Duque, 2017).

Considering the future importance of integrating these systems in the hotels of the canton "La Maná", this paper aims to evaluate the level of development of certain elements of internal control and quality management in these enterprises.

MATERIALS AND METHODS

An exploratory research with descriptive character was executed, using theoretical methods as the historical and systemic that allowed to deepen in the knowledge of the thematic of study and the development of the analyzed enterprises. As part of the empirical methods, scientific observation was applied through a survey applied to the 16 hotels that exist in the canton "La Maná", province of Cotopaxi, Ecuador, so it covered the entire population. The designed survey was evaluated by specialists, the feasibility of its application was considered and had the following evaluative items:

- Organizational structure of the enterprise
- Staff participation in decision-making
- Implementation of internal control procedures for the enterprise's accounting and administrative processes.
- Application of customer satisfaction questionnaires

- Control and management of outsourced services
- Existence of quality and internal control areas
- Controls implemented in the quality management
- Other controls implemented

The measurement of the results was carried out by applying statistical analysis, specifically the calculation of absolute frequencies, using Microsoft Excel.

RESULTS AND DISCUSSION

Table 1 shows the results of the study carried out in the 16 hotel enterprises in the canton of "La Maná", based on the absolute frequencies of the predominant response category.

Table 1 - Absolute frequency of the evaluated aspects by response category

Aspect evaluated	Predominant response category	Absolute frequency (%)
It has a formal organizational structure	Yes	75
Adequate organizational structure	Yes	75
Importance of staff participation in decision making	Yes	94
Need to implement internal control procedures for accounting and administrative processes	Yes	94
Use of customer satisfaction questionnaires	Yes	75
Existence of control and management of outsourced services	Yes	50
Existence of a Quality department	Yes	62
Existence of an Internal Control department	Yes	56

Existence of controls implemented for the processes in the quality area	Yes	75
Application of other controls	Yes	100

Source: Own elaboration based on survey results

As can be seen in the table above, most of the hotels in the canton have an adequate organizational structure for the development of their functions, they give importance to staff participation in decision-making and the need to implement control procedures, which thus denotes an adequate control environment and conditions for the development of the internal control process. According to the study by Vega and Ortiz (2017), the control environment turns out to be one of the most influential factors for the development of internal control in hotel enterprises, marked by factors such as organizational structure. In the specific aspect of staff participation, Baquero (2020) expresses the role of the hotel manager to lead the team, increase their motivation and job satisfaction through outreach strategies, both with the internal and external customer.

Additionally, it was shown that these enterprises also pay attention to monitoring customer satisfaction, using structured questionnaires for this purpose, which shows that 62% of them have a Quality area and 75% have implemented controls for the processes. The formal structuring of functions in the enterprises is a guarantee for the optimization of the administrative activity, which, in many occasions, in the small and medium enterprises is not achieved. In this sense, Coronel, Saca, Cartuche and Rodríguez (2018) state the need that, as this type of enterprise develops, there is a greater need to structure functions, enhance administrative control and improve the processes of organizations.

Related to the above, it was evidenced that only 56% of the hotels have an internal control area, i.e., there is less presence of formal structuring of this activity, which is negative for the implementation of policies and procedures required for effective management, efficiency and economy in the use of resources, according to Pereira (2019). This author precisely attaches great importance to the formality and seriousness

in the records that must handle the control process in the enterprise, because of the need for the facts to be then checked, verified or evaluated. However, it should be noted that, despite the fact that there is no presence of internal control areas in 44% of the cases, in all cases some type of control is used, especially those related to fixed assets, as shown in table 2.

Table 2 - Control over fixed assets

Type of control about fixed assets	Absolute frequency (%)
Inventories	56
Comparison	0
Issuance of receipts and labels	0
Archives	38
Data processing	6

Source: Own elaboration based on survey results

Of the types of fixed asset controls evaluated, the most commonly used are inventories, followed by Archives and data processing, which shows that the control work tools are still traditional, without covering the aspects that modern methodologies propose, such as the COSO model (García Bravo et al., 2021) or others that cover different aspects of the control process under a comprehensive approach and continuous improvement. This result shows the importance of the modernization and professionalization of the administrative activity in hotels, with a view to obtaining better management results.

Of the indicators evaluated in the hotel enterprises of La Maná, the one with the worst performance was the existence of control and management of outsourced services, that is, activities that are carried out by third parties and that have an influence on the hotel's value chain and, therefore, on the satisfaction of both internal and external clients. This is one of the areas where the greatest need for improvement is evident because, due to the characteristics of hotels, many activities and sub-processes are outsourced and, not managing sufficient controls, can negatively influence the quality of service, the

satisfaction of guests and other customers. According to Espino and Ramirez (2017), the service outsourcing strategy in hotels has a direct influence with the creation of competitive advantage in the core activities of hotels (basically reception, cleaning of rooms and common areas, gastronomy and commercial management) and the operating result based on costs and quality. It is a priority for the enterprises studied to improve relations with third parties, especially service providers and activities that directly influence the quality of service and direct attention to the visitor.

The integration of activities in the enterprise, according to Pereira (2019), is one of the current ways that these have to manage "*the perverse impacts and direct organizations towards the fulfillment of their mission*". Hence the importance of hotels in the canton "La Maná" to take advantage of the conditions that exist and that have been determined in this study to generate synergies between internal control and quality management systems. At this point, it should be noted that the level of development achieved in the aspects evaluated has been achieved despite the low technical and professional level of the hotel owners, the staff working in them and the environmental conditions in which these micro-enterprises, in many cases, survive. The current situation that the world has experienced since the beginning of 2020 due to the health pandemic caused by the new coronavirus, Covid-19, is an example of how vulnerable this economic activity is and the need to implement strategies and management tools to handle contingencies such as this and others of a natural, political or social nature, such as those that have affected Ecuador in the last decade.

The results obtained in the present study leave open the possibility of developing an integrated management system that will help the hotels in the canton of La Maná to become an important source of resources for the locality, generate employment and attract tourists, both national and foreign, to the area, based on the geographical and natural characteristics of the region, which are attractive and unique in the Ecuadorian panorama. With this purpose, it is important that more and more integrated management systems are implemented, covering both internal control and quality management, which will optimize efforts and resources, as well as obtain superior results, especially in business and sectoral competitiveness for tourism in La Maná.

In conclusion, it is proposed that internal control and quality management systems have the potential to be integrated with a view to achieving organizational objectives, generating favorable relationships with stakeholders and increasing business competitiveness. The integration of both systems constitutes a modern and effective practice to dynamize business management, achieving greater confidence and satisfaction in internal and external customers, based on control policies and procedures, efficiency and efficacy in the activity, all of which will contribute to the development of the tourism sector in the Ecuadorian case.

The exploratory research carried out showed that in the hotel enterprises of the canton "La Maná" importance is given to the control environment, the monitoring of customer satisfaction, the implementation of controls in the area of quality and the formal structuring of departments to attend to these activities, which is the starting point for a future process of integration of the internal control and quality management systems, which will require greater efforts, aimed at strengthening both systems first, as well as creating favorable conditions for their integration in the context of these Ecuadorian microenterprises.

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Conflict of interest:

Authors declare not to have any conflict of interest.

Authors' contribution:

Rosa Marjorie Torres Briones designed the research, participated in data collection, statistical analysis and prepared the draft.

Mayra Elizabeth García Bravo and Ketty del Rocío Hurtado García participated in the data collection, statistical analysis and theoretical analysis.

All the authors reviewed writing of the manuscript and approved the version finally submitted to the journal.



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