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Human resource management and the tourism and hospitality industry: An introduction

Chapter objectives

This chapter sets the scene for the book. It considers the nature of the tourism and hospitality industry and some of the approaches to managing people adopted by organizations and how these approaches can vary. Therefore the aims of this chapter are:

- **To recognize the importance of tourism and hospitality as an employment sector.**
- **To outline the diverse range of sub-sectors and occupations within the broad heading of tourism and hospitality.**
- **To consider the nature of the workforce.**
- **To review the range of models/theories concerned with human resource management (HRM) and how these might be applied to the tourism and hospitality sector.**

Introduction

The importance of tourism and hospitality employment in both developed and developing countries is attested to by the World Travel and Tourism Council (WTTC), who suggest that travel- and tourism-related activities account for over 230 million jobs, or 8.7 per cent of jobs worldwide (WTTC, 2006). However, whilst the quantity of jobs is unquestionable, the *quality* of many of these jobs is of great concern to academics and policy-makers alike. Despite the rhetoric of policy-makers and business leaders that people are the industry's most important asset, many remain unconvinced that such a view is borne out by empirical evidence. For example, Douglas Coupland, the notable cultural commentator, has for many captured the *zeitgeist* when he talks pejoratively of 'McJob' which he describes as, 'A low-pay, low-prestige, low-dignity, low-benefit, no-future job in the service sector. Frequently considered a satisfying career choice by people who have never held one' (Coupland, 1993: 5; and see also Lindsay and McQuaid, 2004). MacDonald and Sirianni (1996) recognize the challenges of living and working in a service society which, according to them, is characterized by two kinds of service jobs: large numbers of low-skill, low-pay jobs and a smaller number of high-skill, high-income jobs, with few jobs being in the middle of these two extremes. Such a situation leads labour analysts to ask what kinds of jobs are being produced and who is filling them. This point is also true for the tourism and hospitality industry and it is important at the outset of this book to add a caveat about the generalizability (or otherwise) of the conditions of tourism and hospitality employment worldwide. Hence Baum (1995: 151) reflecting the diversity of employment within the sector notes that:

> In some geographical and sub-sector areas, tourism and hospitality provides an attractive, high-status working environment with competitive pay and conditions, which is in high demand in the labour force and benefits from low staff turnover … The other side of the coin is one of poor conditions, low pay, high staff turnover, problems in recruiting skills in a number of key areas, a high level of labour drawn from socially disadvantaged groups, poor status and the virtual absence of professionalism.

Organizations and managers in the tourism and hospitality industry face real challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce which is focused on offering a high-quality

'product' to the increasingly demanding and discerning customer. This book seeks to address some of the key human resource (HR) issues that have to be tackled in order that organizations can maintain such an environment. To do so it will critically review some of the problems which lead many to characterize tourism and hospitality employment as generally unrewarding and unappealing, whilst also considering examples of good practice, important policy responses and models of HRM which may offer cause for greater optimism in the way people are managed within the tourism and hospitality industry.

What are the tourism and hospitality industries?

Many academics, industrialists and policy-makers have attempted to define the nature of the tourism industry – and the place of the hospitality sub-sector within this broader conceptualization – yet there is still no one commonly accepted definition. Hence, there are inherent problems seeking to define what is a large and diverse sector, which means many of the activities may overlap, and could be described as encompassing tourism and hospitality. For example, Lucas (2004) in her recent work on employment relations in the hospitality and tourism industries chose to talk in broad terms about the Hotel, Catering and Tourism Sector (HCTS). This characterization of the HCTS recognizes that, in reality, many jobs in hospitality and tourism, 'share common attributes and are associated with both hospitality and tourism activities' (p. 4). Clearly, then, we should recognize the potential for a lack of precision in describing the tourism and hospitality industries.

In an attempt to avoid too much imprecision and, at the same time, capture the diversity of the sector this book uses the framework offered by People 1st, which is the Sector Skills Council (SSC) for the hospitality, leisure, travel and tourism sector, to exemplify the broad range of activities that may be seen in the HCTS. The reason for using People 1st is that SSCs are the government-licensed bodies in the UK responsible for improving skills within the industry. SSCs are employer led and amongst other things aim to be the voice of industry on skills matters and encourage best practice approaches to employment (and see Chapter 7 for the role of People 1st in improving skills and training in hospitality, leisure, travel and tourism). Therefore, People 1st suggest that the sector as a whole is made up of 14 sub-sectors (People 1st, 2006):

- hotels;
- restaurants;

- pubs, bars and night-clubs;
- contract food service providers;
- membership clubs;
- events;
- gambling;
- travel services;
- tourist services;
- visitor attractions;
- youth hostels;
- holiday parks;
- self-catering accommodation;
- hospitality services.

Moreover within this broad classification of travel, tourism and hospitality there is massive diversity in the types of jobs generated, in relation to their technical and skills' demands, educational requirements, terms and conditions and the type of person that is likely to be attracted to employment in them. To illustrate this point we can consider Baum's (1997: 97–98) description of the range of people a person buying a package holiday is likely to interact with:

- the retail travel agent;
- insurance companies;
- ground transport to and from the airport;
- at least two sets of airport handling agents (outbound and return);
- airport services (shops, food and beverage outlets, bureaux de change) (outbound and return);
- the airline on all legs of the journey;
- immigration and customs services;
- local ground transportation;
- the hotel or apartment;
- tour services at the destination;
- companies and individuals selling a diversity of goods and services at the destination (retail, food and beverage, entertainment, cultural and heritage, financial, etc.);
- emergency services at the destination (medical, police, legal);
- service providers on return (photography processing, medical).

Baum characterizes all of these possible intermediaries, and the interactions they will have with the holiday maker, as crucial in 'making or breaking the tourist experience'. Thus while the physical product is important, for most tourists the quality of their experience is likely to be also reliant to a large degree on the interactions they will have with the variety of front-line staff in the travel, tourism and hospitality industry. These so-called 'moments of truth' (Carlzon, 1987) are therefore crucial for organizational effectiveness, success, competitiveness and profitability. Indeed, within an industry that is characterized by diversity and heterogeneity in terms of the purpose, size, ownership and demands of the enterprise, the only real point of homogeneity is delivering service to customers and the need to manage people in such a way that they offer a quality service. The corollary of this point would be the belief that such front-line staff would therefore be sufficiently well paid, trained and motivated to offer outstanding service. The reality however is that often such staff have the lowest status in the organization, are the least trained, and are the poorest paid employees of the company.

In recognizing the diversity both of the range of sub-sectors and types of jobs they are likely to generate, this book cannot consider all of these aspects in detail. Indeed, more is known about employment in certain sub-sectors than others. For example, the commercial hospitality industry encompassing hotels, restaurants and pubs, bars and nightclubs is the largest sub-sector with around 70 per cent of employees in the UK (People 1st, 2006). Unsurprisingly, then, the commercial hospitality industry is well served with extensive research on the nature of employment and HRM strategies (D'Annunzio-Green et al., 2002; Lucas, 2004). On the other hand, little has been written on the events industry or the nature of HRM in youth hostels, for example. As a consequence many of the examples drawn on in this book are from the commercial hospitality industry, although, where possible, illustrations of organizational practice from travel and tourism organizations are also used. Ultimately, the main aim of the book is to attempt to understand the potentially diverse employment experience of those working in what we will broadly think of as the tourism and hospitality industries. Thus, how does the experience of an airline flight attendant differ from that of a pot washer in the kitchen in a small restaurant to a receptionist in the front desk of an international hotel or to a tour rep working on an 18–30-type holiday?

A further issue to consider is the manner in which the sector is heterogeneous in terms of the predominance of small- and medium-sized enterprises (SMEs). People 1st (2006) note that within the UK hospitality, leisure, travel and tourism

sector 76 per cent of establishments employ fewer than ten people and 50 per cent fewer than five. Heterogeneity is also seen in relation to the way that organizations adopt differing routes to competitive advantage, depending on which type of market they operate in. For example, full service carriers in the airline industry are likely to have very different approaches to HRM compared to low-cost airlines (Eaton, 2001; Spiess and Waring, 2005). The same is true for the hospitality sector, which may range from first class and luxury hotels providing extravagant, full 24-hour service to the more homely comforts of a bed and breakfast establishment; from fast food restaurants to Michelin starred restaurants. In turn, the jobs provided by these various organizations demand a variety of skills and attributes from those employees interacting with customers, which again will impact on HR strategies such as recruitment and selection and training.

Who makes up the tourism and hospitality workforce? A brief snapshot

The International Labour Organization (ILO, 2001) in their wide-ranging report on the global tourism and hospitality industry provides evidence that suggests that the industry globally is largely reliant on what Wood (1997) has described as so-called 'marginal workers', such as women, young workers, casual employees, students, relatively high numbers of part-timers and migrant workers. For example, within the UK women make up around 58 per cent of the broader hospitality, leisure, travel and tourism workforce (People 1st, 2006). More specifically, the hospitality sub-sector is indicative of the broader sector in having a higher proportion of part-time employees (52 per cent) than most other industries with the all industry figure being 25 per cent (HtF, 2003). Young people are also prominent within the hospitality, leisure, travel and tourism sector. For example, 37 per cent of the total UK workforce is under 24 years and 58 per cent under 34 years (People 1st, 2006). Related to this last point a significant part of the tourism and hospitality workforce consists of student, seasonal and migrant workers. Students are an increasingly important segment of the labour market for hospitality and tourism organizations (ILO, 2001). They are prepared to work for low wages and be flexible in their working patterns (Canny, 2002), creating what Curtis and Lucas (2001) describe as a 'coincidence of needs' between employers and students. Thus, nearly three quarters of all students who are working are employed in the retail and

hospitality industries and the vast majority of students who are working do so in front-line jobs such as sales assistants, waiters/waitresses and check out operators (Curtis and Lucas, 2001; Canny, 2002). The number of ethnic minority workers in the broader hospitality, leisure, travel and tourism sector is 11 per cent, slightly higher than the all industry figure of 9.6 per cent (People 1st, 2006). With regard to qualifications only 12 per cent of employees in hospitality, leisure, travel and tourism have a degree or equivalent compared to an all industry figure of 29 per cent, with 15 per cent of the workforce having no qualification compared to 11 per cent of the total workforce (People 1st, 2006).

Review and reflect

If you are currently working in the tourism and hospitality industry whilst completing your studies list what you consider good and bad aspects of your job and your reasons for this.

Having briefly considered the nature of the hospitality and tourism industry and the characteristics of its workforce attention now turns to understanding HRM and the increasingly important role it is felt to play in organizational success.

What is HRM?

Definitions of HRM

There have been many attempts to define what exactly HRM might be and indeed Heery and Noon (2001) recognize that it is a subject of considerable academic analysis and that, ultimately, 'there is no common agreement on what HRM means' (p. 161). Resultantly, they offer 10 definitions, which they feel capture the complexity and dynamism of HRM as a subject of academic study:

- *A label* HRM is seen as simply being another name for personnel management and there is nothing distinct or special about HRM.
- *A convenient shorthand term* that allows for the grouping together of a whole series of sub-disciplines that are broadly concerned with people management: such as employee relations, industrial/labour relations, personnel management and organizational behaviour.

- *A map* to help guide students and practitioners to understand the concept and ideas associated with the management of people.
- *A set of professional practices* suggests that there are a range of personnel practices that can be integrated to ensure a professional approach to managing people. In this view a potentially key role is likely to be played by the Chartered Institute of Personnel and Development (CIPD), which is the professional association for those entering the HR and personnel profession.
- *A method of ensuring internal fit* again sees the need to co-ordinate approaches to people management, but here the co-ordination needs to be with other areas of the organization.
- *A method of ensuring external fit* where HRM activities have to be fully integrated with the demands of the external environment.
- *A competitive advantage* where HRM is the means by which an organization can gain competitive advantage, a view best captured by the cliché of 'our people are our greatest asset'.
- *A market-driven approach* in that decisions will often be market driven and the needs of the business determine the manner in which employees are treated; some may be treated well, others less so well.
- *A manipulative device* sees it as inherently exploitative and manipulative.
- *A hologram* captures much of the above discussion in recognizing the fluid identity of HRM and the fact that it has multiple meanings.

Clearly what the above discussion points to is that HRM means many things to many people, depending on whether you are a manager, an employee or an academic and there is no one definition that will adequately capture the potential complexity of the topic.

Review and reflect

Which definition do you find most persuasive and why?

That said, for the purposes of this book we will recognize HRM as being broadly about how organizations seek to manage their employees in the pursuit of organizational success. Reflecting this point the book utilizes the concise definition offered by Storey (1995: 5). Thus, HRM 'is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic

deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques'. The challenge of HRM then would seem to be how to recruit, deploy, develop, reward and motivate staff, leading to them being a source of competitive advantage. As the above discussion suggests, however, there is more than one route to seeking competitive advantage and this point is further considered in examining the notion of 'hard' and 'soft' HRM.

Hard vs. soft?

As well as providing the concise definition utilized above, Storey (1987) also provided one of the earliest and most enduring attempts to recognize different approaches to HRM. These different approaches are captured by the idea of hard and soft HRM, each of which are now briefly described. The *hard* version is seen to be an instrumental and economically rational approach to human resource management. In this view people management strategies are driven by strategic considerations to gain competitive advantage, maximizing control while achieving the lowest possible labour cost. This approach is quantitative and calculative and labour is a commodity/resource, the same as any other. The focus is on human *resource management*. On the other hand the *soft* version is seen to be much more about adopting a humanistic and developmental approach to human resource management. As a result an organization's people management approach is likely to be more consensual and based on a high level of managerial commitment to employees, which is intended to lead to mutual high commitment from employees, high trust, high productivity and so on. Employees are seen as being proactive, capable of being developed and worthy of trust and collaboration. This approach focuses on *human resource* management.

Review and reflect

Reflecting on your answers from the first review and reflect question to what extent do the good and bad aspects you listed equate to hard or soft aspects of HRM?

What hard and soft approaches to HRM point to is that employers will vary their people management strategies. Clearly as well there are likely to be a number of external influences as HRM in practice 1.1 suggests. These external influences will

HRM in practice 1.1   Hard and soft approaches to HRM in the airline industry

The tourism and hospitality industry is particularly sensitive to economic cycles and political trouble and can be badly affected in times of uncertainty. For example, the global nature of the industry means that it is vulnerable to external events that cause fluctuations in tourist visits and spend. The global 2001–2004 economic downturn, 9/11, the Iraq war and the outbreak of SARS in the Far East all led to a drop in revenue in the industry. These factors reduced the number of travellers internationally and left uncertainty and fragility in the tourism market. Many of these aspects are particularly pronounced in the airline industry and trade unions have often railed against the manner in which employees are used as 'shock absorbers' to protect the industry from the cyclical nature of the market. These hard approaches to HRM have seen major redundancy programmes in a number of airlines in recent years, especially after 9/11. On the other hand, a number of companies have sought a more soft approach to HRM which aimed at increasing the customer responsiveness of their front-line staff. British Airways, for example, had a series of initiatives in the 1980s and 1990s such as 'Putting People First' and 'Winning for Customers'. Amongst other things these initiatives sought to introduce team working, extensive training programmes, enhance quality procedures and multi-skill staff. As companies alternate between hard and soft approaches to HRM employees may become confused as to what the company message is. Ultimately, employees may well be a company's 'greatest asset', but in times of uncertainty and downturn are equally expendable as recent history suggests.

Derived from Grugulis and Wilkinson (2002); ITF (2004).

reflect a variety of political, social, economic and technological aspects which will have an effect on HRM policies and practices. Hard and soft HRM point to the manner then in which organizations can vary their approaches to HRM and as a result the impact on employees may vary. A similar attempt to recognize that there may be different approaches to HRM is also seen in the debate over whether organizations should aim to achieve 'best fit' or 'best practice'.

Best fit vs. best practice?

Boxall and Purcell (2000) suggest that attempts to understand the way in which organizations approach the management of their HR can be seen with regard to

whether they aim for 'best fit' or 'best practice'. On the one hand, the best fit school argues for an approach to HRM, which is fully integrated with the specific organizational and environmental context in which they operate. On the other hand, best practice advocates argue for a universalistic approach to HRM where all firms who adopt a range of agreed HR policies and practices are more likely to create a high-performance/commitment workplace, as organizations aim to compete on the basis of high quality and productivity.

Best fit

One of the earliest and most influential attempts to develop a model that recognized the need for a fit between the competitive strategy and HRM was that offered by Schuler and Jackson (1987). Schuler and Jackson developed a series of typologies of 'needed role behaviours' that enabled the link between competitive strategy and HRM practices to be made. The type of needed role behaviours within Schuler and Jackson's model was contingent on the overall strategies that an organization could adopt to seek competitive advantage and the HRM approached adopted to sustain this.

First, there is an *innovation* strategy, where organizations seek to develop products or services that are different from competitors, such that the focus here is on companies offering something new and different. Organizations adopting this approach seek to develop an environment where innovation is allowed to flourish. Resultantly, the employee needed role behaviour in such a scenario is characterized by things like a willingness to tolerate ambiguity and unpredictability, the need to be creative and risk taking. Given these characteristics the type of HRM strategy flowing from this approach is based on having a large number of highly skilled individuals who are likely to enjoy high levels of autonomy. Second, is the *quality enhancement* strategy wherein firms seek to gain competitive advantage by enhancing the product and/or service quality. The approach once again points to certain HRM practices to support a total-quality approach. These practices include the encouragement of feedback systems, teamwork, decision-making and responsibility being an integral part of an employee's job description and flexible job classifications. The intent of these practices is to create needed employee behaviour such as co-operative, interdependent behaviour and commitment to the goals of the organization. Lastly, the *cost reduction strategy* sees firms attempting to gain

competitive advantage by aiming to be the lowest-cost producer within a particular market segment. The characteristics of firms seeking to pursue this strategy are tight controls, minimization of overheads and pursuit of economies of scale, in the pursuit of increased productivity. In following such a strategy organizations may use higher number of part-timers, seek to simplify and measure work via narrowly defined jobs that encourage specialization and efficiency, and offer short-term results oriented appraisal. Needed employee behaviours include, repetitive and predictable behaviour, low-risk taking activity and a high degree of comfort with stability.

This support for the importance of HRM practices 'fitting' the organizations own strategically defined market segment to create a fit between the functional areas of marketing, operations and HRM is also seen in the work of Lashley and Taylor (1998). Lashley and Taylor describe four basic archetypes within which tourism and hospitality organizations can be potentially located. These archetypes are the service factory, the service shop, mass service and professional services. These characterizations are based on the degree of customization and labour intensity involved in the service offer, in terms of the degree of customer contact required between employees and customers.

The service factory is relatively low labour intensity and low customization (i.e. high standardization). The service factory is most obviously exemplified by fast food operators, especially McDonald's. The service shop involves more customization, but relatively low labour intensity. The defining difference to the service factory lies in the degree of standardization within the process. Lashley and Taylor draw upon the example of TGI Fridays to argue that although there are high levels of standardization in the tangible aspects of the organization, such as the menus, layouts, décor and staff uniform, there is also some scope to customize the customers' eating and drinking experience. This customization is by virtue of their more extensive menu, and more importantly, greater spontaneity and authenticity in the intangible aspects of the service provided by front-line staff. The next classification is mass service where service processes involve a relatively high degree of labour intensity, though a limited amount of customization. Lashley and Taylor assert that the Marriott hotel brand typifies a mass service organization, as their four star offering is similar to others in relation to the tangibles reflecting the highly competitive nature of the mid to upper segment of the hotel market. As a result of this convergence of the tangibles the key lies in the intangibles and the scope available to organizations to differentiate themselves

on the basis of service quality. Within this process of differentiation a key role is played by the staff via the relatively high level of contact with customers. The final grouping is professional services where there is a high level of service to individual customers and a high degree of labour intensity, as exemplified by hospitality management consultants.

The key point which emerges from the work of Lashley and Taylor is the likely relationship between the service operation type adopted by the organization and the style of HRM which best fits it. For example, it is apparent that in the four star hotel sector a broadly soft approach to HRM, as exemplified by high discretion in relation to the intangibles, moral involvement and a moderate trust culture, is suggested as being important to sustain a high quality, total quality management (TQM) based approach to the service offering. At the other end of the spectrum, McDonald's are suggested as exemplifying a command and control style which is characterized by things such as low discretion for employees, limited responsibility and autonomy, and scripted service encounters. Importantly, Lashley and Taylor (1998: 161) see the command and control approach as being right for what McDonald's are aiming to offer their customers:

> … the historic success of the McDonald's organization in delivering their market offer … is partly due to the ability to develop and maintain a close fit between the key characteristics of the strategic drivers and actual service delivery through utilization of an appropriate HRM style.

The key point remains that organizations in developing a certain product market strategy then ensure that their HR policies and practices are congruent and cost effective with this strategy.

Best practice

Whilst arguments for best fit advocate a close fit between competitive strategies and HRM, those in favour of best practice approaches to HRM suggest that there is a universal 'one best way' to manage people. By adopting a best practice approach it is argued that organizations will see enhanced commitment from employees leading to improved organizational performance, higher levels of service quality and ultimately increases in productivity and profitability. Usually couched in terms of 'bundles', the HRM practices that are offered in support of a high commitment

and performance model are generally fairly consistent. For example, Redman and Matthews (1998) outline a range of HR practices which are suggested as being important to organizational strategies aimed at securing high-quality service:

- *Recruitment and selection*: Recruiting and selecting staff with the correct attitudinal and behavioural characteristics. A range of assessments in the selection process should be utilized to evaluate the work values, personality, interpersonal skills and problem-solving abilities of potential employees to assess their 'service orientation'.
- *Retention*: The need to avoid the development of a 'turnover culture', which may of course be particularly prevalent in tourism and hospitality. For example, the use of 'retention bonuses' to influence employees to stay.
- *Teamwork*: The use of semi-autonomous, cross-process and multi-functional teams.
- *Training and development*: The need to equip operative level staff with team working and interpersonal skills to develop their 'service orientation' and managers with a new leadership style which encourages a move to a more facilitative and coaching style of managing.
- *Appraisal*: Moving away from traditional top down approaches to appraisal and supporting things such as customer evaluation, peer review, team-based performance and the appraisal of managers by subordinates. Generally, all of these performance appraisal systems should focus on the quality goals of the organization and the behaviours of employees needed to sustain these.
- *Rewarding quality*: A need for a much more creative system of rewards and in particular the need for payment systems that reward employees for attaining quality goals.
- *Job security*: Promises of job security are seen as an essential component of any overall quality approach.
- *Employee involvement and employee relations*: By seeking greater involvement from employees the emphasis is on offering autonomy, creativity, co-operation and self-control in work processes. The use of educative and participative mechanisms, such as team briefings and quality circles are allied to changes in the organization of work which support an 'empowered' environment.

In simple terms best practice is likely to entail attempts to enhance the skills base of employees through HR activities such as selective staffing, comprehensive training and broad developmental efforts like job rotation. Additionally, it also

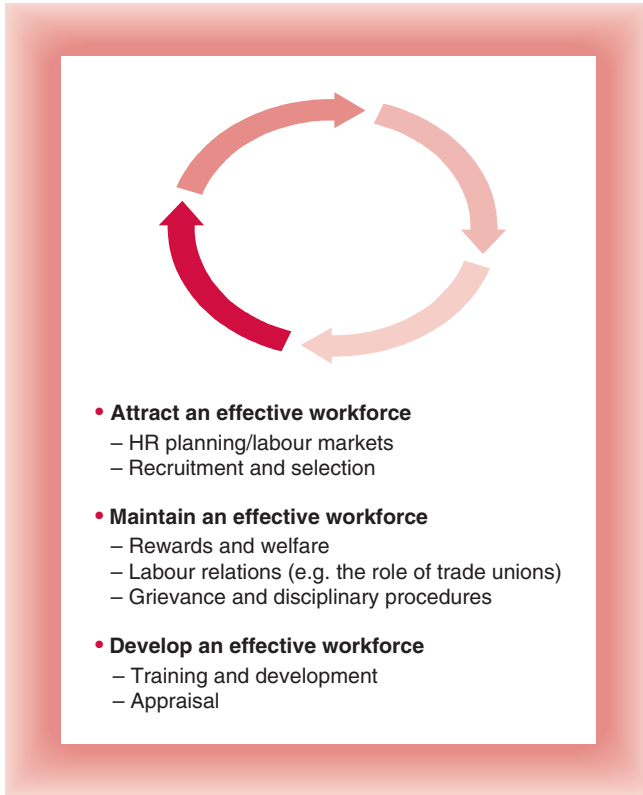encourages empowerment, participative problem-solving, teamwork as well as performance-based incentives.

Review and reflect

Think of an organization that you are familiar with, for example where you are currently working or one where you have spent time on placement, to what extent do their HR practices evidence either a best fit or best practice approach? Why would you characterize it as best fit or best practice?

Models or reality?

Of course ideal types and academic models may not always reflect the complex reality of what really goes on in tourism and hospitality organizations. Schuler and Jackson, for instance, freely admit the description of their three competitive strategies as pure types often does not reflect the reality of, for example, organizations pursuing two or more competitive strategies simultaneously. The same point can also be made with regard to hard and soft HRM; it is not uncommon for organizations to vary their approaches to employees depending on any given practice. For example, with regard to labour flexibility the use of numerical flexibility may well reflect fairly hard approaches to HRM, whilst functional flexibility and multi-skilling exemplifies a much softer approach (see Chapter 4). A further issue is the predominance of SMEs in tourism and hospitality. It is often suggested that their small scale means that they are unlikely to have the necessary means to employ the kind of HRM expertize to develop sophisticated soft approaches, for example. Nevertheless, they are still likely to require HR policies that require at least some thought with regard to their business circumstances.

Whilst some understanding of debate about soft and hard and best fit and best practice are important to place HR practices within a broader theoretical context, in reality, regardless of these various ideal types all organizations have to manage employees on a day-to-day basis. We can illustrate this in Figure 1.1, which outlines the notion of an HRM cycle.

- **Attract an effective workforce**
  - HR planning/labour markets
  - Recruitment and selection

- **Maintain an effective workforce**
  - Rewards and welfare
  - Labour relations (e.g. the role of trade unions)
  - Grievance and disciplinary procedures

- **Develop an effective workforce**
  - Training and development
  - Appraisal

Figure 1.1   The HRM cycle

Figure 1.1 is useful in allowing us to appreciate that these broad aspects of attracting, maintaining and developing a workforce are constant and that organizations and managers, both specialist HR and line managers, are wrestling with HR issues on a day-to-day basis. However, whilst a number of the functional aspects of HRM are unlikely to differ, the manner in which organizations actually develop their overall strategy will. In these circumstances models that allow for recognition of differing strategic intent in HRM are still useful in allowing us to appreciate why and how companies differ in their approaches to HRM in tourism and hospitality. It would be naïve to imagine we could talk in very broad terms about HRM in tourism in hospitality. The reality is far too complex and as we have already noted the employment experience for employees can vary enormously depending on the type of organization they work in and the job or role they have within their organizations. With this recognition we should consider the key question: so what

does HRM in hospitality and tourism look like? Reflecting some of our earlier discussion of hard and soft and best fit and practice we can also crudely distinguish between those who argue for a pessimistic view of HRM in the sector and those who suggest that increasingly organizations are seeking a much more progressive approach to managing their employees.

The bad news … pessimistic views of HRM in tourism and hospitality

Generally tourism and hospitality has often struggled with negative perceptions about employment practices and conditions and this perception has often been matched by the reality. Keep and Mayhew (1999) for example in their review of the skills issue in the tourism and hospitality industry suggest the industry has a number of personnel problems, including:

- generally low wages, unless skill shortages act to counter this (e.g. chefs);
- unsocial hours and shift patterns that are not family friendly;
- overrepresentation of women and ethnic minorities in low-level operative positions, with better paid, higher status and more skilled jobs filled by men, pointing to undeveloped equal opportunities policies in the sector;
- poor or non-existent career structures and use of casualized seasonal employment;
- over reliance on informal recruitment methods;
- lack of evidence of good practice personnel/HRM practices;
- little or no trade union presence;
- high levels of labour turnover;
- difficulties in recruitment and retention of employees.

Recognizing this reality of poor employment practices, Riley et al. (2000) argue that economics is the key determining factor for HRM policies and practices in tourism and hospitality. Of course this point is likely to be true of any industry, but as Riley et al. point out it carries a particular resonance in tourism and hospitality, due to the nature of the sector. That is not to say that organizations and managers in the industry are not well aware of new managerial thinking on HRM. However, they also find themselves wrestling with 'traditional problems', which are underpinned by

'fundamental labour economic imperatives' (p. 120). Importantly, these problems limit managerial actions and this leads Riley et al. to argue the behaviour of managers is determined 'by the structures and forms under which they live' (p. 119). This economic imperative creates a short-term perspective on managerial decision-making and strategy in relation to HRM, and also means that management are more likely to deploy a weak internal labour market. An obvious impact of this is that HRM concerns of tourism and hospitality organizations are constantly directed to short-term responses to issues such as recruitment, selection and basic training, rather than more long-term areas which could conceivably offer more development and career progression for existing employees.

Another reason for continuing pessimism is the general attitude of employers and particularly the extent to which they are willing to recognize the extent of the HRM problem in the sector. The DfEE (2000) registers with some incredulity the awareness of low pay, for example, existing alongside the naïve view of employers of tourism and hospitality as a 'good' employing sector. Thus, although in a number of locations labour shortages were clearly reflective of an unwillingness of employers to offer competitive pay and terms of conditions of employment, the DfEE (2000: 35) notes how, 'We were struck by the extent to which employers described pay and working conditions as "reasonable" or even "good" while at the same time report-ing extensive recruitment problems, skills gaps and labour turnover.' This disjunc-ture between the views of employers and employees is also noted by the ILO in a recent report on the international tourism industry. They recognize how:

> Employers' representatives generally consider that the turnover in the indus-try should be attributed to the essentially transient nature of part of the workforce, namely students, young mothers and young people as a whole, as well as the general difficulty in retaining staff. Employees, on the other hand, frequently cite low pay as a reason for changing employment, though a lack of career structure and benefits would appear to be of even greater importance (ILO, 2001: 6).

This inability by industry to recognize the most glaring of issues is long standing and can also be seen in relation to things like a degree of hostility and opposition from the employers associations in the industry, such as the British Hospitality Association (BHA), to governmental initiatives such as the minimum wage and working time directive. The BHA still remains unsure of the benefits of such

initiatives, despite support from others who argue these initiatives are likely to have a potentially positive impact on the industry (e.g. see Lucas, 2004).

Given the above discussion it is unsurprising to see a long history of support for the proposition that tourism and hospitality remains a poor employing sector. From Orwell's *Down and Out in Paris and London* in the 1930s to recent work by the likes of Price (1994), Kelliher and Perrett (2001), Kelliher and Johnson (1997) and McGunnigle and Jameson (2000), the dominant paradigm has tended to stress the negative aspects of working in the sector. For example, McGunnigle and Jameson surveyed a selected number of hotels from the top 50 hotel groups ranked by ownership of bedroom stock, which were considered to be most likely to exhibit good practice HRM. Despite this they concluded, 'This study suggests that there is little adoption of HRM philosophy in corporately owned hotels in the UK sample … [and hospitality] … has a long way to go before it can claim that it is encouraging a "culture of commitment"' (ibid. p. 416). Similarly, Kelliher and Perrett (2001), drawing explicitly on Schuler and Jackson's typology, develop a case study analysis of a 'designer restaurant'. Such a restaurant might be though of as potentially developing a more sophisticated approach to HRM as they sought to differentiate themselves from chain establishments such as Hard Rock Café and TGI Friday's. However, although the restaurant had moved to a more sophisticated approach to HRM in areas like planning, training and development and appraisal, and ostensibly sought an 'innovation' strategy, 'there was little real evidence that human resources were seen as a source of competitive advantage' (p. 434). Instead, the HRM approaches adopted by the restaurant were much more reflective of immediate environmental constraints, such as the difficulties in recruiting and retaining staff.

In sum, any number of reasons may account for poor personnel practice in the tourism and hospitality industry. Economic determinism, the predominance of SMEs, a low-skills base, employer antipathy to a more progressive approach to HRM, labour market characteristics, organizations ensuring best fit HRM practices to support a high volume, low-cost strategy; all are plausible reasons for a view of HRM which is not necessarily premised on high-skills, high-wages and a high-quality route to competitive advantage. That said, it would be equally wrong to paint a wholly pessimistic picture. It was recognized earlier in the chapter that there are also examples of good practice HRM, particularly in certain sub-sectors of the industry and in market segments where organizations are likely to seek differentiation on the basis of offering high-quality services.

The good news … best practice in tourism and hospitality

Some of the most important work to emerge in recent years on the question of the extent of good practice in the HCTS is the work of Hoque (2000). Based on his work on the hotel sector, he argues that arguments which portray the industry as backward and unstrategic are now outdated, at least where larger hotel establishments are concerned. Indeed, he suggests that 'it is perhaps time researchers stopped highlighting the example of "bad management" and branding the industry as under-developed or backward, and started identifying approaches to hotel management capable of generating high performance' (2000: 154). The research conducted by Hoque consists of a questionnaire-based survey of 232 hotels and a number of follow-up interviews conducted in targeted hotels, based on the results of the survey.

Based on this research he discusses three key issues. First, the extent to which hotels have experimented with new approaches to HRM. Secondly, the factors that influence HRM decision-making and whether these factors are any different in the hotel industry compared to elsewhere. Finally, he reviewed the relationship between HRM and performance in the hotel industry. Hoque is able to claim that, compared to a sample of over 300 greenfield-site manufacturing establishments, the hotels in his sample where utilizing a number of practices that were very similar to best practice. Indeed, in illustrating the manner in which academic models can, in reality, overlap it is also worth noting that there is significant overlap between Schuler and Jackson's quality enhancement and innovation approaches with much of the 'best practice' approaches. This point about such overlap is further illustrated in HRM in practice 1.2.

Hoque's work remains useful in offering a description of organizational practices that support a professional, high-quality approach to service. That said, there are a number of criticisms that can be levelled at the research (Nickson and Wood, 2000). As Hoque himself recognizes his sample of hotels is large by industry standards, averaging 125 employees per unit compared to an industry 'standard' of 81 per cent of establishments employing fewer than 25 people, and thus as Hoque (2000: 51) himself recognizes 'patently unrepresentative of the industry as a whole'. Furthermore his reliance on city-centre hotels with a high proportion of corporate clients is equally unrepresentative. Lastly, the reliance on managerial voices in his research, to the exclusion of those on the receiving end of many of the initiatives

HRM in practice 1.2   The HRM quality enhancer hotel

The hotel in Hoque's (2000) research, which is termed the HRM quality enhancer hotel, employed 140 staff and was part of a large international chain. In relation to their approach to HRM a number of practices were prominent in the hotel. Recruitment and selection emphasized the need for employees to have an aptitude for customer care, although this tended to be 'spotted' at interview rather than through psychometric or behavioural tests. The hotel used extensive induction programmes to lessen the potential of employee turnover. The use of cross-functional teams aimed to generate co-operation and team building and staff were encouraged to view the hotel as a unit rather than a collection of discrete functions. Allied to this extensive multi-skilling and cross-functional flexibility was encouraged, this 'cross-exposure' allowed staff to see a number of the other parts of the hotel. There was extensive decentralization, which sought to encourage responsible autonomy, for example through a well-understood empowerment scheme operating in the hotel. Consultation via a representative consultative committee allowed employees to voice their views on the running of the hotel. Further to this consultation the hotel also operated an annual attitude survey. Employees were appraised on a yearly basis. The appraisal system was used for succession planning and the hotel was also working towards linking appraisal with a merit-based remuneration system. Employees were also encouraged by a strong internal labour market which promoted from within, whenever possible. Finally, throughout the hotel there was an overriding emphasis on quality and the need to offer 'outstanding customer service'.

described (i.e. employees), may be considered an important omission. To be fair, Hoque's exclusive reliance on managerial voices is not unique and is shared by much of the literature on HRM. The key point emerging from the work of the likes of Redman and Matthews and Hoque is what good practice HRM is likely to look like in the tourism and hospitality industry.

Where this book stands

Whilst, Boxall and Purcell (2003: 61) suggest that 'there is quite a lot of agreement on what constitutes "bad" or "stupid" practice' in relation to HRM, this does not

stop organizations often developing rather bad or stupid HR practices. As we have already noted tourism and hospitality is likely to offer huge diversity with regard to HRM policies and practices and it would be nice to think that these are rarely bad or stupid. Experience equally tells us though that this is not always the case. In recognizing this point, this book aims to develop a realistic account of how employers in tourism and hospitality develop and implement their HRM policies and practices and what this will mean for employees. It will certainly celebrate good practice, but equally will not be afraid to point to bad practice. This sentiment points to the fact whilst best practice is something to which organizations should aspire to, the reality is that there may be a number of constraints in achieving best practice, a point which Boxall and Purcell (2000: 199) recognize:

> While all employers will benefit from avoiding the real 'howlers' of HRM practices that are well known for their dysfunctional or perverse consequences – they are often constrained by industry and organizational economics from implementing a deluxe version of best practice.

In sum, whilst all tourism and hospitality employers are, for a variety of reasons, unlikely to aspire to the deluxe version of best practice they should at least aim to avoid the real howlers as suggested by Boxall and Purcell. The remainder of the book considers how they might do this in considering policies and practices in a variety of organizational and occupational settings.

Conclusion

This chapter recognized the importance of tourism and hospitality as an employment sector. The sector provides a large and diverse number of jobs and will be important for future job creation throughout the developed and developing world. Whilst the number of jobs produced by the tourism and hospitality industry is impressive there are some concerns about the type of employment experience within the sector. The nature of the labour market and the reliance on 'marginal' workers has led to a number of pessimistic views of HRM practice. More upbeat accounts point to the manner in which concerns with providing good-quality service are improving HR practices. Underlying this debate are a number of models of HRM which provide a framework in which to locate the strategies adopted by tourism and hospitality

organizations. Ultimately though we have to be cautious to not over generalize the nature of HRM in tourism and hospitality and there is a need to examine differing practices and try to understand why these differences might exist.

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Websites

The Chartered Institute of Personnel and Development (CIPD) is the main professional body for HRM practitioners in the UK. There website can be found at http://www.cipd.co.uk/default.cipd and includes a number of downloadable items for non-members.

http://www.hrmguide.co.uk/is a very good general guide to HRM issues in the UK. Within the site there is also links to HRM issues and practices in a range of other countries including Australia and the US.

The International Labour Organization produced a very comprehensive report in 2001 on HR issues in global tourism and hospitality and this can be found at: http://www.ilo.org/public/english/dialogue/sector/techmeet/tmhct01/tmhct-r.pdf

The Work Foundation (formerly the Industrial Society) has some interesting material on their site at http://www.theworkfoundation.com/index.aspx

Caterer and Hotelkeeper is the trade magazine for the hospitality industry and has a search engine at http://www.caterersearch.com/Home/Default.aspx. The archive has numerous stories on aspects of HRM in the sector.