



MICHAEL BOELLA • STEVEN GOSS-TURNER

Human Resource Management in the Hospitality Industry

A INTRODUCTORY GUIDE



***Human Resource Management
in the Hospitality Industry***

Human Resource Management in the Hospitality Industry

An Introductory Guide

EIGHTH EDITION

Michael J. Boella, MA, FHCIMA, MCIPD

Faculty Fellow, School of Service Management,

University of Brighton

Visiting Professor, University of Perpignan

Steven Goss-Turner, MSc, BA, FHCIMA, MCIPD

Head of Teaching

Deputy Head of School

Faculty of Management and Information Sciences

School of Service Management

University of Brighton



ELSEVIER
BUTTERWORTH
HEINEMANN

AMSTERDAM • BOSTON • HEIDELBERG • LONDON • NEW YORK • OXFORD
PARIS • SAN DIEGO • SAN FRANCISCO • SINGAPORE • SYDNEY • TOKYO

Elsevier Butterworth-Heinemann
Linacre House, Jordan Hill, Oxford OX2 8DP
30 Corporate Drive, Burlington, MA 01803

First published 2005

Copyright © 2005, Elsevier Ltd. All rights reserved

No part of this publication may be reproduced in any material form (including photocopying or storing in any medium by electronic means and whether or not transiently or incidentally to some other use of this publication) without the written permission of the copyright holder except in accordance with the provisions of the Copyright, Designs and Patents Act 1988 or under the terms of a licence issued by the Copyright Licensing Agency Ltd, 90 Tottenham Court Road, London, England W1T 4LP. Applications for the copyright holder's written permission to reproduce any part of this publication should be addressed to the publisher

Permissions may be sought directly from Elsevier's Science and Technology Rights Department in Oxford, UK: phone: (+44) (0) 1865 843830; fax: (+44) (0) 1865 853333; e-mail: permissions@elsevier.co.uk. You may also complete your request on-line via the Elsevier homepage (www.elsevier.com), by selecting 'Customer Support' and then 'Obtaining Permissions'

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloguing in Publication Data

A catalogue record for this book is available from the Library of Congress

ISBN 0 7506 6636 6

For information on all Elsevier Butterworth-Heinemann publications visit our website at <http://books.elsevier.com>

Typeset by Integra Software Services Pvt. Ltd, Pondicherry, India
www.integra-india.com
Printed and bound by MPG, Bodmin, Gt. Britain

Working together to grow
libraries in developing countries

www.elsevier.com | www.bookaid.org | www.sabre.org

ELSEVIER

BOOK AID
International

Sabre Foundation

Mike Boella

For Juliet, Jo, Elena and Luci and all who provided the motivation, information and support that made this book possible.

Steven Goss-Turner

To My Girls, Janice and Molly

A note to the eighth edition

It is over 30 years since the first edition of this book appeared and it is a source of great satisfaction that it is still read around the world as a key text for existing and future managers. However, the time had come for new views and perspectives to be included; so it gave me great pleasure when Steven Goss-Turner, a colleague with whom I have worked for many years, agreed to join me in the eighth edition of this book. Steven brings both invaluable senior management experience and an academic approach to this, the eighth, edition. His contribution has been invaluable.

Michael J. Boella, MA, FHCIMA, MCIPD

Foreword

Bob Cotton, OBE, FHCIMA

Chief Executive

British Hospitality Association

February 2005

For as long as any of us in hospitality can remember, the industry has had a staff and skills shortage. This was as true of the 1960s as it is today but, with the expansion of the industry since then, the only change is that the shortage has got worse. Unfortunately, it is likely to get even worse in the future. If the industry expands as the government is forecasting, it will create a further 500 000 jobs by 2010. Added to the present staff shortages (there are an estimated 200 000 vacancies at any one time), it is clear that recruitment and retention is an overwhelming pre-occupation of managers and employers in the industry and will remain so unless we do something about it.

What can be done? To begin with, we should not assume that, in an industry of over two million workers, there is not some overmanning. Even if it is only 1 per cent, that is 20 000 people who are not meaningfully employed; if it is as much as 5 per cent, then the figure becomes even more concerning. So ensuring that the people we have already recruited are fully occupied is the oft-forgotten first step. Raising levels of productivity by better work scheduling, better training, better employment practices, better communications and better reward systems will undoubtedly reduce the industry's recurring need to recruit more and more staff. In this way, encouraging existing staff to work smarter – not harder – must be the immediate priority of every business in the industry.

How best to do this? It takes no genius to recognise that a hospitality business stands or falls on the staff it employs – on the welcome they provide, on the efficiency with which they perform their tasks and on their ability to interact with their colleagues and with the customer. Staff are the primary asset to the business, yet the hospitality industry's training effort in the last 40 years has been patchy, to say the least. Clearly, there is some very good training but, with over 300 000 separate hospitality businesses, the majority of them small and independent, it is not surprising that too many have resorted to poaching rather than training in the past.

What have not helped the industry are the constant changes in the country's training and education structure and in the qualifications provided at all levels – to such an extent that the old certainties of the past have been completely eroded. Many employers, who understood the standards reached by students who had attained City and Guilds 706, or an OND or HND, are now floundering in a sea of

misunderstanding as they struggle to come to terms with NVQs – which are, themselves, now destined to be abandoned – and other qualifications.

With the advent of People 1st, the Sector Skills Council for the industry, there is now a debate about what qualifications are needed and how they may be offered. This has been exacerbated by the alarming reduction in the number of craft catering courses, often in favour of more popular tourism courses. This represents a huge challenge to the hospitality industry. At the other end of the scale, the growth in the number of universities offering degree-level courses in hospitality has been equally alarming. Does the government's dictum that 50 per cent of all school-leavers should obtain university-level qualifications really reflect the hospitality industry's needs? Hardly – but individual employers have little or no influence on what is a national policy that is encouraging every school-leaver to believe that vocational qualifications are somehow second-rate. And is it any surprise that employers, themselves, are understandably confused that apprenticeships – despised some ten years ago as old fashioned and out-of-step with modern requirements – are now (rightly) being re-introduced in the guise of Modern Apprenticeships?

Every human resource manager is facing a scenario of constant change so Michael Boella's eighth edition of his standard work, *Human Resource Management in the Hospitality Industry*, is as timely now as ever it was when it was first published in 1974.

The book is not only a model textbook for students, which has been tested by time. With new legislation appearing every year, which impacts on the people that a business employs and on how it employs them, the book has become required reading for both human resource managers and employers who have to work in an environment of flux and change.

The book's emphasis on the need for a professional approach to human resource management is also timely. If staff are to be motivated to work smarter in such a tumultuous work environment, they must have leadership. But systems also have to be put in place so that there is the right kind of support for every eventuality. The book emphasises the need for leadership and outlines the systems that must back it up.

Michael Boella, now with his co-author, Steven Goss-Turner, has over 40 years of experience in human resource management and teaching in hospitality. His deep understanding of the needs of managers and of students aspiring to management positions is legendary. Eight editions have proved the book's rightful place as a classic in hospitality literature. We will never overcome the staff and skills shortages without taking careful note of what it so sensibly tells us.

Foreword

Philippe Rossiter, MBA, FHCIMA, FCMI, FTS, FRGS, AIL

Chief Executive

Hotel & Catering International Management Association

April 2005

At the conclusion of his foreword to the 7th edition of this seminal work, my predecessor at the HCIMA said, quite simply, 'Roll on the eighth edition.' Well, here it is; as fresh, vibrant and pertinent a contribution to the subject of hospitality management as it was when first published over 30 years ago.

This longevity illustrates two key aspects of this essential text. Firstly, the subject of human resource management is perennial, even if we have changed our vocabulary somewhat. In this respect, *Human Resource Management* is now more widely employed than the term *Personnel Management*, used in the title of the book's first edition. Indeed, we no longer refer to the *Hotel & Catering Industry*, now preferring the all-encompassing *Hospitality Industry*. Yet the fundamentals which provide the foundation for the sound management of people remain timeless, whether one is talking about recruitment, training, task organisation or appraisal. At the same time, the environment in which we all work constantly changes and evolves, responding to both technological advances and shifts in society's perceptions of human relationships in every context. Often, such changes are reflected in employment legislation, and there is little doubt that, in this area alone, we have witnessed a substantial growth over the last thirty years. This underscores the second reason for the timeless contribution of Michael Boella and Steven Goss-Turner to the subject, as each successive edition has brought the book right up to date, with relevant case studies being used in an imaginative and informative fashion.

This dual approach of promoting sound management practice within a contemporary setting lies at the heart of the HCIMA's philosophy as the hospitality industry's professional body. As if to illustrate this message, I am pleased to see that the book contains sections covering the HCIMA's *Risk Management Guide* and its *Hospitality Assured* business excellence standard, alongside its more traditional *Code of Conduct* for members. Enduring relevance is as important for a professional association as it is for an essential text such as *Human Resource Management in the Hospitality Industry*; Michael Boella and Steven Goss-Turner must be congratulated on their skill in retaining the book's immediacy and relevance to a wide audience of managers at all levels and students alike.

This book is written by authors who not only know their subject, but also recognise the needs of hospitality managers in all sectors. More importantly, Michael Boella and Steven Goss-Turner are able to set those management challenges in the context of readily understood environments, thereby making the subject 'come alive'. This approach has created a book which is easy to use and understand; a copy should be found in every hospitality manager's office!

Preface

When the first edition of this book was written in the 1970s, personnel management in the hospitality industry was practised by a handful of employers and even in these cases it was confined to a few functions of personnel management such as recruitment and training. Today, thirty years later we can say that human resource management (HRM) in the hospitality industry has grown in its impact and status, with an increasing number of HR Directors being appointed at executive Board member level. However, it is clear that in such a fragmented industry, with many thousands of businesses of all sizes, there is still much to do, developing further a positive image of the sector as a first choice for the best talent.

Each new edition has been prompted by a variety of changes that have affected the hospitality industry, including political, legal, economic, social and technological changes and this edition is no different. Many of these changes have had considerable influence on the management of the industry's human resources; the introduction of the minimum wage being just one example, another being the development of internet-based recruitment. Another issue that has recently begun to emerge is a growing awareness of the 'stakeholder' society and a concern among more enterprises for the environment, for communities in which the business takes place and ethical behaviour.

One key economic element has been the growth of many hospitality companies into global actors – one company, InterContinental Hotels Group, added 42 hotels in the Americas alone to its portfolio in a four-month period in 2004! Such a rapid growth has an almost insatiable appetite for human resources at all levels and this can only be achieved through a professional HR function. The issues of HRM across multi-site companies and in an international context have been developed to a greater extent in this edition.

Together with this globalization trend, the need to meet shareholder expectations creates other pressures which often result in changes to the management of an enterprise's human resources. Such changes may include more flexible but often polarized and distanced workforces, outsourcing of large sections of a business activity, reliance on agency staff and short-term contracts. All of which can create a purely economic relationship with little room for loyalty. Another consequence of such economic pressures is flatter organization structures with more empowered or enabled workers, but often with fewer internal promotion and personal development prospects.

At the same time, many employers, some conscious of these trends, are improving their human resource management practices through participating in a range of schemes such as Investors in People, the British Hospitality Association's Excellence

through People, and the Hotel and Catering International Management Association's Hospitality Assured schemes.

Such trends and developments create tremendous paradoxes for contemporary hospitality managers. Whilst many companies wish to recognize the needs of all their stakeholders, they also have to remain competitive in a global market.

We are grateful to all those who have made this latest edition and earlier editions possible, including the many companies and associations that have allowed us to use their material. These include: the British Hospitality Association, Choice Hotels, the Chartered Institute of Personnel and Development, Croner Publications, De Vere Hotels, Flamingo Lodge, Forte Hotels, Hilton Hotels, the Hospitality Training Foundation, the Hotel & Catering International Management Association, Marriott Hotels, Pan Pacific Hotels, and Sheraton Hotels.

Finally, we both are very grateful to the committee of the Hotel and Catering Personnel and Training Association (Fiona Russell in particular) for the privilege of judging the annual awards for excellence in human resource management. This has certainly given us insights into what is being done at the leading edge of human resource practice by some of the most influential operators in the industry.

Michael J. Boella, MA, FHCIMA, MCIPD
Steven Goss-Turner, MSc, FHCIMA, MCIPD
January 2005