Human Resource Management

July 2011
I. Summary of Learning Outcomes

II. LO 1 - Evaluate the role of HRM

III. LO 2 - Develop HRM policies for hospitality or tourism organisations

IV. LO 3 - Select appropriate strategies for recruitment and selection of staff

V. LO 4 - Techniques to monitor, appraise, train and develop staff

VI. LO 5 - Role of ethics in relation to the management of staff and customers
On completion of this module, students will be able to:

- Evaluate the role of human resource management in a hospitality or tourism organisation
- Develop HRM policies for hospitality or tourism organisations
- Select appropriate strategies for recruitment and selection of staff
- Recommend techniques to monitor, appraise, train and develop staff within hospitality or tourism organisations
- Critically examine the role of ethics in relation to the management of staff and customers in hospitality or tourism organisations
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VI. LO 5 - Role of ethics in relation to the management of staff and customers
Learning Outcome 1 - Evaluate the role of human resource management

Objectives

Assessment Criteria :-

- Assess the main functions and aims of HRM within a hospitality or tourism organisation
- Critically evaluate the use of the HRM Cycle
Learning Outcome 1 - Evaluate the role of human resource management

Reference

Reference List:-

Learning Outcome 1 - Evaluate the role of human resource management

Personnel management in the hospitality industry

- Personnel management as a specialist function in the hotel and catering industry was almost non-existent until the early 1960s. Where it existed, it was dedicated to minor elements of personnel management, such as recruitment and training.

- With the introduction of employment legislation, such as the **Contracts of Employment Act 1964** and the establishment of the **Industrial Training Board**, personnel managers began to appear in the industry in many numbers.

- Today all of the larger companies now employ Personnel or Human Resource (HR) specialists and personnel management is seen as an essential part of the organisation.

- There is still, however, too little regard paid to it by many employers.
Learning Outcome 1 - Evaluate the role of human resource management

Personnel management in the hospitality industry continued...

- Personnel managers are frequently junior managers learning the ropes at the staff’s expense

- The fact that 76% of the establishments in the sector employ fewer than 10 staff (Labour Market Review, 2003) is also a naturally critical factor in determining the extent to which Human Resource Management (HRM) can be professionalised across the industry

- Some evidence of the increasing sophistication of the human resource function within the industry is to be found in the Hotel and Catering Personnel and Training Association’s (HCPTA) annual awards for excellence in human resource management

- Each year hospitality companies submit human resource activities for consideration for these awards
Learning Outcome 1 - Evaluate the role of human resource management

Personnel management in the hospitality industry continued...

- Many of the ideas submitted show considerable concern for the employers’ human resources

- These range from the distinctive branding of the HR function as a separate activity (or ‘product’) within the company (Choice Hotels) through a range of training initiatives to schemes concerned with the care of company pensioners (Forte Granada)

- Other such schemes submitted have included the ‘decasualization’ of casual workers (Mayday). Further encouraging evidence about the increasing professionalism in hospitality sector HRM comes in the recent research and writings of Kelliher and Johnson (1997), Hoque (2000) and Lucas (2004)

- Also, two of the industry’s most influential bodies have set in motion a number of significant initiatives that should have long-term effects on the industry’s labour force and how it is perceived by government and the larger community
Personnel management in the hospitality industry continued…

- This is at the same time as employers generally are implementing similar initiatives, such as the Confederation of British Industries (CBI) benchmarking of human resource practices.

- This is part of a wider CBI initiative known as Probe which is benchmarking a range of other management areas too, such as service provision.
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice

- The British Hospitality Association in 1998 started their Excellence through People scheme, which was partly a response to the Department of National Heritage’s report (1996).

- This report has listed a familiar range of complaints about the industry’s employment practices, including poor wages, long hours and high labour turnover.

- The report went on to state that ‘the tourism and hospitality industry faces the threat of a self-perpetuating vicious circle that is harmful to profitability and competitiveness…The negative image of many jobs in the industry - low pay, low skill, low status - discourages many people from joining the industry, thus taking us back to the beginning of the vicious circle.’
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice continued…

- Recruit and select with care: Promotes a positive image and attracts qualified staff

3. Equal opportunities
4. Recruitment

A good employer attracts, selects and employs qualified staff who are legally entitled to work in the UK
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice continued...

- Offer a competitive employment package: The staff get to know what to expect and are well cared for

3. Contract of employment
4. Health and safety

A good employer ensures the staff are fully aware of their terms and conditions and provides a healthy and safe work environment for the staff
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice continued…

- Develop skills and performance: Standards of customer service and productivity is enhanced

5. Job design
6. Training and development

A good employer increases productivity and business efficiency by improving staff competence, motivation, effectiveness and job satisfaction
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice continued…

- Communicate effectively: Ensures the staff works towards the same goal

7. Communications
8. Grievances and discipline

A good employer keeps them informed of performance and has arrangements for dealing with discipline and grievances
Learning Outcome 1 - Evaluate the role of human resource management

The British Hospitality Association’s Excellence through people: Ten point code of good employment practice continued...

- Communicate effectively: Ensures the staff works towards the same goal

9. Performance review
10. Rewards and recognition

A good employer keeps and motivates qualified staff by rewarding them
Learning Outcome 1 - Evaluate the role of human resource management

“Hospitality Assured” - The scheme introduced by The Hotel and Catering International Management Association (HCIMA)

Objective

To recognise and reward high standards of customer service in the hospitality industry
“Hospitality Assured” – The scheme introduced by The Hotel and Catering International Management Association (HCIMA) continued…

The process

- Consists of customer research and feedback
- Assesses a business’ performance in standards of service and business excellence
Learning Outcome 1 - Evaluate the role of human resource management

Investors in people (IiP)

Investors in People (IiP) was launched to ‘improve business performance and secure competitive advantage’ The scheme has four main principles:

- **Commitment** - to invest in people to achieve business goals
- **Planning** - how individuals and teams are to be developed to achieve these goals
- **Action** - to develop and use the necessary skills in a programme directly tied to business objectives
- **Evaluation** - measuring progress towards goals
Learning Outcome 1 - Evaluate the role of human resource management

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Learning Outcome 1 - Evaluate the role of human resource management

**Human resource policies**

- Human resource policies do not develop in a vacuum, however. They are an expression of the style of management of an organisation, an expression of its values.

- Human resource policies should be dynamic, both changing with and bringing about changes in the behaviour of the workforce and the organisation.

- The part a personnel department can play in helping to formulate human resource policies will depend crucially on its current standing in the organisation.

- However, its importance can often be estimated by looking at the levels of risk with which the function is involved.
The study of people at work falls within the province of the social sciences which are concerned with studying the relationships between individuals, groups of individuals and their environment.

The knowledge obtained can be used in two principal ways,

- To understand and predict changes
  - i.e. to focus on ‘content’
- To bring about change
  - i.e. to focus on ‘process’
The fundamental conclusion to be drawn from the work of behavioural scientists (Figure 2.5), and Abraham Maslow in particular, is that humans are satisfaction-seeking animals motivated primarily by their biological needs.

Hotel and catering managers should be more conscious of the truth of this than most others.

In addition, and unlike most other animals, once humans’ biological needs are satisfied, further needs emerge - mainly of a social nature.

This manifests itself in the pursuit of status, security, power and other outward signs of success. Most people may not be conscious of these needs that drive or motivate them.
Learning Outcome 1 - Evaluate the role of human resource management

**Behavioural scientists who have contributed to management thinking continued…**

- The fundamental conclusion to be drawn from the work of behavioural scientists (Figure 2.5), and Abraham Maslow in particular, is that humans are satisfaction-seeking animals motivated primarily by their biological needs.

1. Henry Fayol (France) 1841-1925

  Claimed to be the earliest known proponent of a theoretical analysis of managerial activities. He defined management as five functions:

  - To forecast
  - To organise
  - To command
  - To coordinate
  - To control
2. Max Weber  
(Germany)  
1864–1920  
Responsible for defining three types of legitimate elements or criteria, including a clearly defined hierarchy, objective selection.
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

3. Frederick W. Taylor (USA) 1856–1915

The founder of the movement known as ‘scientific management’. He proposed four ‘great underlying principles’:

- The development of a true science of work
- The scientific selection and progressive development of the workman
- The bringing together of the science of work and the scientifically selected and trained man
- The constant and intimate cooperation of management and men
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

4. Elton Mayo  
   (USA)  
   1880–1949

Often referred to as the founder of the Human Relations movement. His work demonstrated the importance of groups in affecting the behaviour of individuals at work. He is most famous for the Hawthorne investigations which led to a fuller understanding of the ‘human factor’ at work.
Behavioural scientists who have contributed to management thinking continued...

5. Rensis Likert  
(USA)  
1903–1981

Showed that effective supervisors and managers tended to be ‘employee centered’ rather than ‘job centered’. Likert distinguished four systems of management:

- Exploitive/authoritative
- Benevolent/authoritative
- Consultative
- Participative
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...


Famous for theories X and Y. In theory X, people are assumed to dislike work and need direction and control. In theory Y, people are assumed to enjoy work and external control is not necessary. Managers’ assumptions about their subordinates shape their behaviour.
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

7. Frederick Herzberg (USA) Born 1923

Famous for demonstrating that factors that lead to dissatisfaction (hygiene factors) are quite different from those that lead to satisfaction (motivators). Determinants of job satisfaction are:

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

8. Abraham Maslow  
(USA)  
1908–1970

Maslow saw human needs in a form of hierarchy, for which he is famous; as one set of needs is satisfied, another emerges. Their order is:

- Physiological needs
- Security and safety needs
- Affiliation or acceptance needs
- Esteem needs
- Self-actualization
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

9. Peter Drucker (USA)  
   Born 1909

Famous for developing the concept of ‘management by objectives’ (MbO). He believes that there are five basic principles of management:

- Set objectives
- Organise
- Motivate and communicate
- Measure performance
- Develop people
Learning Outcome 1 - Evaluate the role of human resource management

Behavioural scientists who have contributed to management thinking continued...

10. Edgar Schein (USA)

Known for his work on motivation - introducing the concepts of the ‘psychological contract’ and the ‘career anchor’ into the language of management. His work also included the study of corporate culture – an organisation’s set of artifacts, values and assumptions.
Behavioural scientists who have contributed to management thinking continued...

11. Amitai Etzioni (USA)

Developed the classification of managers’ power and workers’ involvement.

**Managers’ power**
- Coercive
- Utilitarian
- Normative

**Workers’ involvement**
- Alienative
- Calculative
- Moral
Learning Outcome 1 - Evaluate the role of human resource management

Issues in Human Resource Management

- Absenteeism
- Alcohol abuse
- Annual hours contract
- Assertiveness
- Benchmarking
- Bullying
Learning Outcome 1 - Evaluate the role of human resource management

Issues in Human Resource Management

- Change management
- Communications
- Culture and cultural change
- Delaying
- Discipline
- Distancing
Learning Outcome 1 - Evaluate the role of human resource management

Issues in Human Resource Management continued...

- Drug abuse
- Empowerment
- Ethics
- Harassment
- Health and safety
- Information technology
Learning Outcome 1 - Evaluate the role of human resource management

Issues in Human Resource Management continued...

- Internationalism
- Law of employment
- Organisation structures
- Outplacement
- Outsourcing
- Part-time working
Learning Outcome 1 - Evaluate the role of human resource management

Issues in Human Resource Management continued...

- Psychological tests
- Racial discrimination
- Re-engineering
- Sexual discrimination
- Smoking at work
- Trade unions
- Violence
Learning Outcome 1 - Evaluate the role of human resource management

Main Functions of HRM

- Recruitment
- Selection
- Appointment
- Induction/Orientation
- Performance appraisal
- Training and Development/company plan/individual needs
- Termination
Learning Outcome 1 - Evaluate the role of human resource management

Main Functions of HRM

- Human resources policy/Human resources plan/Employee relation policy
  - Recruitment
  - Selection
  - Appointment
    - Induction/Orientation
    - Performance appraisal
  - Remuneration and benefits
  - Records and statistics
- Training and development/Company plan/Individual needs
Main Functions of HRM – Cont...

- **Training and development/Company plan/Individual needs**
  - Transfers
  - Promotions

- **Terminations**
  - Dismissal
    - Review
      - Circumstances, procedures
    - Employment tribunal
  - Resignation
    - Exit interviews
  - Retirement
    - Pensioner support, care, social schemes
  - Redundancy
    - Outplacement counseling and assistance

- **Ex-employees services, clubs, alumni associations**
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Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Objectives

Assessment Criteria:

- Assess the impact of turnover, absenteeism and employment termination on a hospitality or tourism organisation
- Recommend effective grievance procedures for a hospitality or tourism organisation
- Critically evaluate the use of personnel records
- Appraise HRM policies
Reference

Reference List:

Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Labour turnover

- What is labour turnover?
  - The total number of employees leaved expressed as a percentage of the total number of employees in a department, unit and/or organisation
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Labour turnover continued...

- A government report into the industry in the UK (DfEE, 2000) points to the labour shortages and skill shortages across certain jobs within the sector, noting that, ‘Best practice employers were able to keep turnover of full-time employees down to around half the industry norm of 48%’

- In its 2003 report on UK industry levels of labour turnover, the CIPD considered that, ‘highest levels (commonly in excess of 50%) are found in retailing, hotels and restaurants, (and) call centres’

- These levels should be compared with a national UK average of 16% labour turnover per annum
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Factors influencing labour turnover

- The nature of the industry itself - e.g. Seasonal, limited career structures, fragmented, large number of small units
- The nature of individual units - e.g. Location, size, staff/work ratios
- The nature of individual managers - e.g. Lacking formal management training, acceptance of high labour turnover
- The high proportion of workers from the secondary labour market
Advantages of a healthy level of labour turnover

- Skills development
- Labour market regeneration
- ‘Fresh blood’ argument
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Causes of labour turnover

- Another job
- Returned to college or school
- Medical reasons
- Marriage
- Relocation
- Dissatisfaction with wages
- Undisclosed personal reasons
- Resigned without notice
- Death

Death
Causes of labour turnover continued…

- Dissatisfaction with work
- Dissatisfaction with conditions
- Retirement
- Absenteeism
- Conclusion of temporary employment
- Reduction in labour force
- Unsatisfactory performance
- Misconduct
- Gross misconduct
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

**Causes of labour turnover may also include**

- Wage and salary rates falling behind the rates offered by competitors
- Better conditions generally (such as reduction in split shifts) being offered by competitors
- A decline in quality of supervision and departmental managers
- Recruitment, selection, induction and training practices needing improvement
- Unfair or uneven work distribution
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Costs of labour turnover

- Costs of labour turnover

  - Costs associated with leaving: personnel administration, payroll administration, exit interviewing

  - Costs associated with replacement: direct costs such as advertising, recruitment, selection etc.

  - Costs associated with Transition: direct and indirect costs such as relief cover and overtime payments, training costs etc.

  - Costs of an indirect nature: management and supervisory time dedicated to the recruitment, selection etc. and the potential loss in customer satisfaction and repeat business
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Costs of labour turnover continued...

- Costs of labour turnover: Statistics according to the CIPD (2001)

  - Average cost of turnover per employee to be around £4,000

  - The highest costs for managerial positions and skilled professionals
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Costs of labour turnover continued...

- Costs of labour turnover: Statistics according to CIPD (2001) survey with a sample of 605 organisations

- The highest cost of labour turnover is for managerial positions and skilled professionals

- Overall average cost per employee to be around £4,000

- Cost per leaver in retail, hotel and leisure sectors (Managerial/professional posts) - £5,000–£6,000

- Cost per leaver in retail, hotel and leisure sectors (Operational) - £15,000
Costs of labour turnover continued...

- **68%** of the organisations indicated that labour turnover had a negative effect on business performance.

- **5%** of the companies actually declared a positive effect of some level of turnover, mainly due to the ‘fresh blood’ argument.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Costs of labour turnover continued...

- Key elements of a **TURNOVER CULTURE** (Proposed through a study in Australian hotels by Deery and Shaw (1999) linking the turnover issue with cultural perspectives)

  - Acceptance of labour turnover behaviour by peers, by management and by the organisations themselves

  - There is a relationship between an individual worker’s values and norms and the propensity to leave employment
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Average costs of replacing hospitality sector employees

- Operative: £500
- Craft and skilled: £1,652
- Clerical: £1,746
- Technical: £3,671
- Professional: £4,861
- Managerial: £5,008

The HTF published the following data concerning the average costs of replacing hospitality sector employees (Davie, 1999):
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

**Labour turnover rates vs. stability rates**

- What is labour stability?
  - The proportion of employees who stay for more than one year

<table>
<thead>
<tr>
<th>Sector</th>
<th>Full-time employees</th>
<th>Part-time employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Labour turnover</td>
<td>Staff stability</td>
</tr>
<tr>
<td>Hotels</td>
<td>50</td>
<td>76</td>
</tr>
<tr>
<td>Restaurants</td>
<td>55</td>
<td>71</td>
</tr>
<tr>
<td>Pubs and bars</td>
<td>40</td>
<td>66</td>
</tr>
<tr>
<td>Canteens and catering</td>
<td>25</td>
<td>77</td>
</tr>
</tbody>
</table>
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Labour turnover rates vs. stability rates continued...

- Labour turnover and staff retention rates can be controlled by,
  - Analysing these rates by department
  - Analysing the ‘Survival Curve’
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Controlling labour turnover and staff retention rates by Analysing the rates by department

<table>
<thead>
<tr>
<th>Sampled departments</th>
<th>Two large London hotels</th>
<th>Medium-sized country town hotel</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Kitchens</td>
<td>140%</td>
<td>80%</td>
</tr>
<tr>
<td>Wash-up, porters</td>
<td>550%</td>
<td>135%</td>
</tr>
<tr>
<td>Coffee shop</td>
<td>125%</td>
<td>100%</td>
</tr>
<tr>
<td>Hall porters</td>
<td>68%</td>
<td>105%</td>
</tr>
<tr>
<td>House keeping</td>
<td>150%</td>
<td>146%</td>
</tr>
<tr>
<td>Weighted average of all depts.</td>
<td>110%</td>
<td>105%</td>
</tr>
</tbody>
</table>
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Controlling labour turnover and staff retention rates by Analysing the ‘Survival Curve’

This is a means of identifying when labour turnover is most critical:

- The early induction period
- The subsequent settling-in period
- After employees have become settled
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Controlling labour turnover and staff retention rates by Analysing the ‘Survival Curve’ continued...

![Graph showing the survival curve for labour turnover and staff retention rates. The curve indicates three phases: Induction crisis, Differential transit ('settling in'), and Settled connection ('stabilized'). The graph shows the number of leavers over time, with the lowest number of leavers occurring after 18 months.](image-url)
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Voluntary termination

- Most often this arises where an employee has the opportunity to take other employment that offers more attractive conditions.

- But, because employees leaving voluntarily have not been dismissed by the employer, they are probably the employees that an employer would most like to retain.

- It is for this reason that these employees should be interviewed to determine their reasons for leaving.

- The exit interview may reveal specific information regarding conditions of employment, competitors’ conditions and the quality or otherwise of supervision, training and selection procedures.
Voluntary termination continued...

- Ex-employees are, after all, to some extent an employer’s ambassadors, broadcasting the employer’s reputation among other potential employees.

- In some cases it may be advisable to supplement an exit interview by talking to a departing employee’s past supervisor in order to check the reasons given by the employee.
Involuntary terminations

- In this industry, along with some others, dismissal is often used as the first remedy for a variety of ills, rather than being used as the last.

- In fact, in some sectors of the industry dismissals may be quite indiscriminate; for example, it is common practice for the entire bar staff to be dismissed because of bad liquor stock results.

- One recognises that pilferage in this industry is a serious problem, but other measures such as more methodical selection, checking of references, better conditions of employment and better career prospects, along with stricter and more accurate means of control, may be better solutions than indiscriminate sackings.
Involuntary terminations continued...

- The dismissal of an employee is a very serious measure, particularly now that the law provides employees with protection against unfair dismissal.

- The law on dismissals is dealt with in more detail in Chapter 16. The most common reasons for dismissal are:
  - Lack of ability
  - Conduct such as late arrival, absenteeism or disobedience
  - Personality
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Dismissal

- In all cases when dismissal is contemplated, other remedies should be considered first; for example, lack of ability may well be the fault of the employer because they did not select or place the employee carefully enough, or because they did not provide appropriate training.

- Secondly, tighter discipline could possibly overcome the problem and a discussion with the employee to discover the underlying causes would possibly be helpful.

- In the third case, if it is a clash of personalities, and if the organisation is big enough, a transfer may be the solution.

- On the other hand, once a decision is made to terminate employment it must always be borne in mind that the employer may have to prove in an industrial tribunal that the dismissal was ‘fair’ as laid down by the Employment Rights Act 1996.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Who dismisses?

- When the need arises to dismiss an employee, the question of who actually dismisses also arises.

- Many line managers feel that they need to have this right as a support to, and indication of, their authority. Others, on the other hand, would dearly like to abdicate the responsibility to someone else such as a personnel officer.

- However, because line managers, in the last resort, are responsible for the results of their departments, they should carry this burden and they should make the decision assisted and guided by specialists, where they are employed, such as personnel officers.

- In many circumstances it is best for the ‘grandfather’ principle to be applied to dismissals. This means that no person can dismiss subordinates without the approval of his own superior.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Dismissal continued…

- “Grandfather” principle
  - No person can dismiss subordinates without the approval of his own superior

- Common practice in many companies for the right to dismiss to be held by the unit manager only, with the subordinate having the right to suspend and no more
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Redundancy

- What is redundancy?
  - A job is eliminated owing to such things as changes in methods, or mergers etc.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Redundancy continued...

- Payments made to employees in a case of redundancy,
  - A minimal payment prescribed by the law
  - A ‘Severance pay’, in case the amounts awarded by the redundancy legislation is inadequate (calculated by using some formula that recognises age, service and present earnings)
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Redundancy continued...

● Management of redundancies

- Redundancies can be avoided through forward planning
- Discussions with employee representatives to have plans for a properly phased rundown
- Voluntary early retirements
- Compensation payments for voluntary terminations
- Special counseling and other services for the employees made redundant
Retirement

- The more enlightened employers recognise that their responsibility extends beyond providing a pension and a proverbial gold watch.

- Most of the employers provide some form of pre-retirement preparation that enables an individual to adjust to completely changed circumstances.

- This preparation may take the form of a steadily reducing working week with attendance at a pre-retirement course.

- Companies such as Granada run pensioner support schemes, whereby the company continues to maintain an interest in their pensioners through visits and other company benefits schemes.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Exit interviews

- All employees should be interviewed before their departure, in order to
  - Learn the real reasons for their departure (unless these are patently obvious)
  - Pinpoint trouble spots and causes of irritation and frustration
  - Inform employees of all their benefits and rights, such as pensions and insurance
  - Explain the make-up of the final pay cheque, including such items as holiday pay
  - Hand over the P45 or obtain a forwarding address
Exit interviews continued…

- Collect any company property that may be outstanding, such as cash advances, equipment, uniforms, protective clothing etc.

- Part on friendly terms, if possible, so that ex-employees act as ambassadors
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Formal disciplinary procedure

- There are four stages to the Company’s Disciplinary Procedure

1. Verbal Warning
2. Written Warning
3. Final Written Warning
4. Dismissal

- The stage of disciplinary action taken is totally dependent on the outcome of the disciplinary meeting relating to the facts and seriousness of the case
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

The stages in the formal disciplinary procedure

- **Stage 1**: Verbal Warning
  - Minor Matter Requiring Improvement
  - Minor Misconduct

- **Stage 2**: Written Warning
  - More Serious Misconduct or Further Offence

- **Stage 3**: Final Written Warning
  - Further Offence or Gross Misconduct

- **Stage 4**: Dismissal
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning

- What is human recourse planning?

  The process of interpreting the environment, predicting its effects on the organisation, evaluating these effects and planning and controlling the appropriate measures in order that the right human resources are available when required.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Importance of Human resource planning

- Employers has the right resources available when required
- Helps to prevent unnecessary labour costs
- Helps to promote business objectives, overall business plan
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning

To have Sound human resource policies, organisations should have a thorough understanding of:

- The organisation
- Its objectives
- Its management
- Its operating style
- Its social and political environment
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning - Matching labour supply and demand

The enterprise

Human resource policy

Human resource plans and practices

The workforce

Induct
Train
Develop
Motivate
Divest

Recruit

Workers

Select

Workers

Competing employers

Labour market

Competing state schemes, aid, etc.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

**Human resource policies**

- Must be designed to provide competent human resources when required
- Should be prepared based on reliable information
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

The role of a personnel department in formulating human resource management policies

The matrix illustrates the different levels of risk with which an organisation’s personnel department can be associated.

<table>
<thead>
<tr>
<th>LEVEL OF ACTIVITY</th>
<th>High Risk Strategy</th>
<th>Medium Risk</th>
<th>Low Risk</th>
<th>Tactical casework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Strategy</td>
<td>Management</td>
<td>Individual needs and motivation</td>
<td>Work group</td>
</tr>
<tr>
<td></td>
<td>culture</td>
<td>practice</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FOCUS OF ACTIVITY

Individual | Work Group | Organisation
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning consists of two separate and distinct parts

- **Strategic**
  - Ensuring that the right people will be available in the longer term
  - E.g. for hotels that are not even built

- **Operational**
  - Planning the precise staffing ratios
  - E.g. one waiter for ten covers and one room attendant for fourteen rooms
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning at strategic level: ‘Systems thinking’ diagram - How an organisation’s plan can be affected by its environment
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning at strategic level

- At the strategic level, management needs accurate statistics in order to develop the undertaking’s long-term plans

Illustration

- A brewery company wanted to expand its number of managed public houses by 100. It needed to recruit at least 100 new husband-and-wife teams to run these public houses. In addition, if it had 100 managed houses already it would have to anticipate finding replacements for some of these existing 100 managers. If wastage rates are unknown, it is not possible to calculate accurately what numbers to recruit and train
On the other hand the company had kept records and these showed that wastage among established managers was 20% per annum and among trainees 30%. It was then simple to determine how many to recruit in a year. Since 100 couples were required for new houses and 20 couples were required for existing houses, this indicated that a total of 120 couples were needed to complete training. However, as wastage during training is 30%, the number to be recruited had to be increased to compensate for this loss. The brewery, therefore, knew on the basis of past experience that it would need to recruit about 172 couples to fill 120 vacancies likely to occur.

This illustrates that plans for the future are difficult to implement effectively without adequate records and statistics.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning, records and statistics

- In recent years the importance of an undertaking’s human resources has become much more apparent

- The ‘demographic time bomb’, i.e. the reduction in the number of young people available for work in the new century, will contribute to the scale of the problem for many employers

- The arrival too of new employers on the labour market will create new demands on an evermore competitive labour market

- In many other industries and organisations these problems have led to much attention being paid to most aspects of human resource management

- It has led, in particular, to accurate planning so that an employer has the right resources available when required and also so that labour costs are not unnecessarily high
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Human resource planning, records and statistics continued...

- Well-conceived human resource policies translate the overall business plan, normally concerned in the private sector with competitiveness and profitability, into a detailed plan.

- Sound human resource policies can only be achieved through a thorough understanding of the organisation, its objectives, its management, its operating style and its social and political environment.

- Human resource planning can therefore be described as the process of interpreting the environment, predicting its effects on the organisation, evaluating these effects and planning and controlling the appropriate measures in order that the right human resources are available when required.

- Human resource policies must play a positive and creative role in the plans, developments and day-to-day activities of an undertaking. They must be designed to provide competent human resources when required.
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Reasons for maintaining personnel information and records

1. To provide detailed operational information such as monthly strength returns and payroll analyses

2. To provide ratios or data such as wastage rates, age analyses and service analyses for planning purposes

3. To provide information on individuals for administration purposes such as salaries and pensions and to provide information for career development purposes

4. To provide information for statutory purposes such as National Insurance, redundancy payment, minimum wage, maximum hours, etc.

5. To provide information for re-employment and reference purposes

6. To provide information for discipline and possible employment litigation purposes
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Maintaining personnel information and records continued...

**Personal record**

- This is the backbone of a good records system

- Whether this record is a simple index card, a visible edge card or a computer filed depends on the number of employees and the amount of detail required

- The record should contain concise information of a sort common to most employees, such as age, education, qualifications, training and marital status

- It is used primarily for statistical exercises or for the speedy retrieval of information

- The personal record does not replace the need for a personal dossier for each employee
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Maintaining personnel information and records continued...

Personal dossier

This should contain all documents relating to an individual employee. These may include:

- Copies of letters of offer and acceptance
- Application form
- Records of company property issued to the employee
- Disciplinary measures
- Changes of conditions, e.g. salary increases
- Performance appraisals
- Various reports and correspondence
- Copy of engagement form
Maintaining personnel information and records continued...

**Employment requisition**

- This is a document produced by the heads of departments (in larger organisations) requesting authority to recruit a replacement or an addition to staff

- The nature of this form varies considerably and depends on the degree of authority of individual heads of departments
Learning Outcome 2 - Develop HRM policies for hospitality or tourism organisations

Maintaining personnel information and records continued...

● The nature of records and statistics that may be maintained and produced by employers varies considerably

● The largest organisations in the UK require highly sophisticated information using computer-based systems, whereas smaller organisations need only minimal information
However, it should also be noted that all records including manual records are subject to data protection legislation (Data Protection Act 1984 and 1998) and may be affected by the Freedom of Information Act to be implemented in 2005).
Content

I. Summary of Learning Outcomes
II. LO 1 - Evaluate the role of HRM
III. LO 2 - Develop HRM policies for hospitality or tourism organisations
IV. LO 3 - Select appropriate strategies for recruitment and selection of staff
V. LO 4 - Techniques to monitor, appraise, train and develop staff
VI. LO 5 - Role of ethics in relation to the management of staff and customers
Learning Outcome 3 - Select appropriate strategies for recruitment and selection of staff

Objectives

Assessment Criteria:

- Critically evaluate selection processes
- Assess the importance of effective induction programmes within hospitality or tourism organisations
Learning Outcome 3 - Select appropriate strategies for recruitment and selection of staff

Reference

Reference List:-


Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Recruitment and selection

- Smaller organisations that may not have well developed HRM functions or recruitment and selection systems, and may recruit irregularly with heavy reliance on informal systems and methods (Jameson, 2000)

- Within the context of the hospitality sector, Price (1994) found that of 241 hotels sampled in her research, a third never used job descriptions or person specifications
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Recruitment and selection continued…

- Lockyer and Scholarios (2005) surveyed over 80 hotels and again found a general lack of systematic procedures for recruitment and selection
Cost of poor recruitment and selection

- Expensive use of management time
- Retraining performers
- Recruiting replacements for individuals who leave very quickly
- High-labour turnover
- Absenteeism
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Cost of poor recruitment and selection continued…

- Low morale
- Ineffective management and supervision
- Disciplinary problems
- Dismissals

It is important for organisations to consider how they can approach recruitment and selection to increase the likelihood of a successful appointment/decision and in a cost effective manner.
Overcoming lack of formality in recruitment and selection

- By effective use of local networks in recruiting employees
  
  E.g. They suggest that the person responsible for selection should have a good knowledge of the local labour market and be able to make the best use of informal networks to find suitable employees

- By way of introduction is the notion of ‘fit’ between the individual and the organisation who are seeking to attract and admit those who are considered ‘right’ for the organisation, in terms of issues like commitment, flexibility, quality, ability to work in a team and so on
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

HRM in practice: Skills involved in the recruitment and selection process

<table>
<thead>
<tr>
<th>The recruitment and selection process</th>
<th>The skills required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job description</td>
<td>Evaluation of the vacancy</td>
</tr>
<tr>
<td>Person specification</td>
<td>Drafting the criteria</td>
</tr>
<tr>
<td>Advertisement</td>
<td>Summarising</td>
</tr>
<tr>
<td>Shortlist</td>
<td>Fair discrimination</td>
</tr>
<tr>
<td>Interview</td>
<td>Questioning skills</td>
</tr>
<tr>
<td>Selection tests</td>
<td>Listening skills</td>
</tr>
<tr>
<td>References</td>
<td>Assessment skills</td>
</tr>
<tr>
<td>Decision</td>
<td>Evaluation</td>
</tr>
</tbody>
</table>
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Recruitment

- What is Recruitment?
  - The process of generating a pool of candidates from which to select the appropriate person to fill a job vacancy
  - A dynamic process as within organisations people are constantly retiring, resigning, being promoted or, at times, being dismissed
Having decided to recruit, organisations will ordinarily consider a range of questions to determine how they might approach filling the vacancy:

- What does the job consist of?
- What are the aspects of the job that specify the type of candidate?
- What are the key aspects of the job that the ideal candidate wants to know before applying?
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Recruitment continued...

Conventionally the answers to these questions will be provided by job analysis, the job description and person specification, which allow the candidates to gauge their chances of being appointed.

- The outcome of the recruitment process is to produce a shortlist of candidates whose background and potential are in accordance with the profile contained in the person specification/competency framework.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job analysis

● What is Job analysis?

- The process of collecting, analysing and setting out information about the contents of jobs in order to provide the basis for a job description and data for recruitment, training, job evaluation and performance management.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job analysis continued…

- When to do a job analysis?

  - Marchington and Wilkinson (2005) suggest that undertaking a job analysis may not be necessary for every time a vacancy arises, especially in organisations that have high levels of labour turnover.

  - They do recognise that job analysis does allow for an examination of whether existing job descriptions and person specifications/competency profiles are appropriate for future needs.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job analysis continued…

- What are the methods used?
  - Observation of the job
  - Work diaries
  - Interviews with job holders
  - Questionnaires and checklists
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job analysis, job description and person specification

INPUT

- Observation of the job
- Work diaries
- Interviews with job holders
- Questionnaires and checklists

OUTPUT

- Job description
- Person specification
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job description

- What is a Job Description?
  - A document that outlines the purposes of the job, the task involved, the duties and responsibilities, the performance of objectives and the reporting relationships
  - A functional document which outlines the ‘what’ elements of a job
  - It will give details of the terms and conditions, including the remuneration package and hours of work
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Job description continued...

- It should aim to provide clear information to candidates about the organisation and the job itself, such that it acts as a realistic preview of the job

- It should also act as a marketing document that seeks to make the job look attractive to potential applicants
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Person Specification/Competency profile

- What is a Person Specification?

  - A document which describes the personal skills and characteristics required to fill the position, usually listed under ‘essential’ and ‘desirable’ headings

  - Whilst the job description considers the ‘what’ aspects of the job, the person specification is concerned with the ‘who’

  - The person specification should aim to provide a profile of the ‘ideal’ person for the job

  - This sets out the minimum standard expected for any given job and will form the basis for potentially rejecting applicants

  E.g. If an advert for a tour company manager stipulates a degree in a travel and tourism-related area, then non-degree holders would be automatically excluded
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Person Specification/Competency profile continued…

In considering the person specification or competency profile it would seem sensible for organisations to consider several points

- Are all the items on your person specification/competency profile relevant to the job?

- Are you reasonably sure that none of your criteria would discriminate unfairly against a group of potential candidates?

- Would your person specification/competency profile enable a shortlisting and interviewing panel to distinguish clearly between candidates?
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

The two most important person specification models

- The two most important person specification models are those provided by Alec Rodger in 1952 and John Munro Fraser in 1954 (Torrington et al., 2005)

1. Rodger seven-point plan
2. Munro Fraser five-fold grading system
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan

1. Physical characteristics

Such as the ability to lift heavy loads or appearance, speech and manner
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan continued...

2. Attainments

Educational/professional qualifications, work experience considered necessary for the job
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan continued…

3. General intelligence

Such as the ability to define and solve problems
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan continued…

4. Special aptitudes

Skills, attributes or competencies relevant to the job
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan continued…

5. Interests

Work related or leisure pursuits that may have a bearing on the job
Rodger seven-point plan continued…

6. Disposition

Job-related behaviours, for example demonstrating friendliness
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Rodger seven-point plan continued…

7. Circumstances

For example domestic commitments or ability to work unsocial hours
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Munro Fraser five-fold grading system

1. Impact on other people

Similar to Rodgers physical make-up
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Munro Fraser five-fold grading system continued...

2. Qualifications and experience

Similar to Rodgers attainments
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Munro Fraser five-fold grading system continued...

3. Innate abilities and aptitude

Similar to Rodgers general intelligence
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Munro Fraser five-fold grading system continued...

4. Motivation

A person’s desire to succeed in the workplace
5. Adjustment

Personality factors that may impact on things like ability to cope with difficult customers
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Competency frameworks to outline the type of person

- The focus of competency frameworks is on the behaviours of job applicants and they are useful as they can also set a framework for other subsequent HR practices, such as performance management and pay.

- Marchington and Wilkinson (2005:169): ‘the competencies can be related to specific performance outcomes rather than being concerned with potentially vague processes, such as disposition or interests outside of work’

- The use of competencies tends to focus on areas such as team orientation, communication, people management, customer focus, results orientation and problem-solving.
Competency frameworks to outline the type of person continued…

Regardless though of whether organisations are using person specifications or competency frameworks, tourism and hospitality organisations are now seeking employees, especially those who will interact with customers, with certain types of skills.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

The ‘ideal’ front-line tourism and hospitality employee

- With the shift to a service economy the type of skills demanded by employers has also shifted

- Employers in hospitality and tourism in both the UK and elsewhere increasingly desire employees with the ‘right’ attitude and appearance (Chan and Coleman, 2004; Nickson et al., 2005)

- The right attitude encompasses aspects such as social and interpersonal skills, which are largely concerned with ensuring employees are responsive, courteous and understanding with customers, or in simple terms can demonstrate emotional labour
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

The ‘ideal’ front-line tourism and hospitality employee continued…

Nickson et al. (2001) have developed the term ‘aesthetic labour’ - the ability to either ‘look good’ or ‘sound right’ (Warhurst and Nickson, 2001) - which points to the increasing importance of the way in which employees are expected to physically embody the company image in tourism and hospitality.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

What employers are looking for in customer facing staff during the selection process

- Evidence from a survey of nearly 150 employers in the retail and hospitality industry: Nickson et al. (2005)

<table>
<thead>
<tr>
<th>Response</th>
<th>Right Personality</th>
<th>Right Appearance</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>65</td>
<td>33</td>
<td>1</td>
</tr>
<tr>
<td>Important</td>
<td>35</td>
<td>57</td>
<td>19</td>
</tr>
<tr>
<td>Not important</td>
<td>-</td>
<td>2</td>
<td>40</td>
</tr>
</tbody>
</table>
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

What employers are looking for in customer facing staff during the selection process continued...

- In terms of the **skills** deemed necessary to do the required work, employers placed a far greater emphasis on ‘soft’ skills for customer facing staff

  - 99% of the respondents felt that **social or interpersonal skills** were **least** significant importance

  - 98% felt that **self-presentation or aesthetic skills** were **least** significant importance

  - 48% felt that **technical skills** were **important**

  - 16% felt that **technical skills** were **not important** at all
The skills that matter to employers in customer facing staff in tourism and hospitality are generally then ‘soft’, including aesthetic skills, rather than ‘hard’ technical skills, which will often be trained in when people join the organisation.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

How organisations can attract the interest of appropriate potential employees

Commonplace in tourism and hospitality

Search within the organisation

- Promotable positions
- Word-of-mouth approaches etc.

External labour market

- Job centers
- Advertising and media etc.

For organisations attempting to be good corporate citizens
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

How organisations can attract the interest of appropriate potential employees continued...

- Sources of recruitment in the hospitality industry

<table>
<thead>
<tr>
<th>Sources of recruitment</th>
<th>Operative (%)</th>
<th>Management (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job centres</td>
<td>87</td>
<td>13</td>
</tr>
<tr>
<td>Local press</td>
<td>80</td>
<td>30</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>70</td>
<td>35</td>
</tr>
<tr>
<td>Employment agencies</td>
<td>32</td>
<td>57</td>
</tr>
<tr>
<td>Trade press</td>
<td>26</td>
<td>66</td>
</tr>
<tr>
<td>National press</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>Personnel consultants</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>Others*</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>

* Others represented internal sources and in one chain an in-house recruitment center
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Looking externally for new employees

Advertising and media

- Printed media and the press: One of the most popular formal methods of recruitment

  - Organisations need to be cognisant of the labour market on which they are hoping to draw for a particular job

  - Organisations could conceivably place adverts in either the local/national press or in trade and professional journals

For example, for a front-line position it is likely that the local press will be used, whilst for a managerial or specialist position the use of the national press or trade press may be more appropriate

- In using the printed media it is important to consider the manner in which organisations can portray the desired image
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Looking externally for new employees continued...

Aspects to be considered in advertising an advert

- Name and brief details of the employing organisation
- Job role and duties
- Key points of the person specification or competency framework
- Salary
- Instructions about how to apply
Moreover organisations should also consider the image they are portraying and the CIPD and the Institute of Professional Advertisers (IPA) outline the following criteria for judging excellence in recruitment advertising (CIPD, 2006).

- Visual impact
- Typography and balance
- Clarity of message to the target audience
- Promotion of job vacancy
- Projection of a professional organisational image
- Focus on workplace diversity
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Looking externally for new employees continued...

Internet

- Reserving a section on the employers’ websites that allow job seekers to check for current vacancies
- Using other commercial websites such as https://www.traveljobz.net/
- Receiving and processing job applications online
Looking externally for new employees continued...

Internet continued...

- Reasons for using online recruitment
  - Reducing cost per hire
  - Increasing speed to hire
  - Strengthening the employer brand
  - Greater flexibility and ease for candidates
  - Broaden the applicant pool
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Evaluating the process of recruitment

- It is important for organisations to periodically review the recruitment process and evaluate its effectiveness.

- The organisation may also want to consider the issues of costs and equal opportunities issues.

- Ultimately in evaluating the process of recruitment organisations can ask themselves several key questions:
  - Do recruitment practices yield sufficient numbers of suitable candidates to enable the organisation to select sufficient numbers of high-quality employees?
  - Could a sufficient pool of suitable candidates be attracted using less expensive methods?
  - Are recruitment methods fulfilling equal opportunities responsibilities?
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Evaluating the process of recruitment continued...

- The **outcome** of the recruitment process is to **produce a shortlist of candidates** whose background and potential are in accordance with the profile contained in the person specification/competency framework.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Shortlisting of candidates

A fairer approach is likely to be based on a rigorous and systematic view of each candidate via five stages (Torrington et al., 2005: 136):

1. Essential criteria for shortlisting
2. Individual selectors produce their own list of a given number of candidates
3. Selectors reveal list and try to reach consensus, if still not clear
4. Discuss why certain candidates are preferred and others not
5. Produce final shortlist after negotiation and compromise
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Selection

- What is selection?

The process of assessing job applicants using one of a variety of methods with the purpose of finding the most suitable person for the organisation (Heery and Noon (2001: 320))
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Method of selection

● There is no one best way which is universally recognised as the best method of selecting the right person for the job

● No one selection method can guarantee success in terms of choosing the right person for the job, especially given the level of human involvement in the process

● The methods selected are influenced by the employer’s view of what is required to provide a satisfactory basis for decision-making and awareness of the appropriateness of particular techniques to provide what is sought
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Process of selection continued...

- Selection process is a two-way process: People have the option to pull out of the process or turn down a job

  E.g. A major international hotel company may advertise a graduate trainee scheme and get an initially good response, such that over 300 application packs are sent out to potential employees. Of those only 127 are returned. Following the selection process 23 are offered jobs, 19 accept the offer and only 15 actually start with the company
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff(53,8),(994,992)

Selection criteria

- **Selection criteria**: Selection does not take place in a vacuum, there is also the context of whether the person will fit in with the job requirements, so the person/job interaction is important.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing

- The central element of the selection process in many tourism and hospitality organisations

- The interview is often characterised as being the third part of the ‘classic trio’ of application forms/CVs, references and interview

- The most straightforward and least expensive approach and what most candidates would expect

- 71% of private service sector organisations are using it as part of the selection process (CIPD, 2004)
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing continued…

- Riley (1996) describes the interview as ‘A conversation with a purpose’ and that purpose is to assess four objectives:

  I. To decide if an applicant is suitable for a job

  II. To decide if the person will fit into the existing work group or organisation as a whole

  III. To attract applicants to the job

  IV. To communicate essential expectations and requirements of the job
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing continued...

- Interviews can either be one to one, sequential or phone and again is it likely that for the majority of positions in tourism and hospitality the first type will predominate
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

**Techniques used in the process of selection: Interviewing continued...**

- In order to have a good interview certain conditions should be met:
  - Attention being paid to noise levels
  - Avoiding interruptions
  - Lighting
  - Dress and manner of the interviewer
  - Positioning of furniture
  - Attempts to create an informal atmosphere
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing continued...

- Factors that should be recognised in interviewing (IRS, 2000, 2006; Torrington et al., 2005: 201–215):
  - Interviewers should only talk around 20 per cent of the time, the remaining time should be filled by interviewees
  - Open questions are more useful, so questions starting with what, why, when, which and how can be very useful to elicit information from candidates. E.g. instead of asking a question like ‘Did you enjoy your last job?’ the interviewer could ask ‘What did you enjoy about your last job?’
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing continued...

- Interviewers recognise and like candidates from similar backgrounds to them, in terms of things like social class and educational background

- It is estimated that interviewers often make their decision within the first 4-9 min of an interview

- Interviewers are vulnerable to prejudices with regard to aspects such as sex, race and age
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection: Interviewing continued...

- Interviewers are affected by physical cues, for example spectacles equals greater intelligence

- Interviewers need to be aware of the ‘halo’ or ‘horns’ effect, when either in a positive or negative manner, some trait or personal characteristic influences or overwhelms all other thoughts

- There is a need to recognise the importance of non-verbal communications, or what is commonly described as body language. E.g. interviewers and interviewees should aim to be open in their stance and throughout the interview sustain animated, yet controlled body language
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

**Techniques used in the process of selection**

- Tests and psychometric testing

  - Test may refer to something like a dexterity test for a manually skilled employee or an attainment test, for example typing skills

  - Psychological or psychometric tests are tests which can be systematically scored and administered

  - These tests are used to measure individual difference in aptitude, ability, intelligence or personality
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued…

- Organisations are increasingly using these types of tests, particularly for managerial positions (IRS, 2002)

- Aptitude tests may test specific abilities in relation to verbal, numerical, spatial or mechanical skills to provide an indication of how well applicants will cope with the job

- The most controversial tests are personality tests, which are often described as orwellian or biased, manipulative and intrusive
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued…

- Presentations
  
  E.g. An applicant for a training manager’s job is likely to be required to give numerous presentations and the organisation may want to assess their presentation skills
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued…

- Various group methods such as which often involve problem-solving

  - These activities may involve some element of role playing

  - Can assess things like ability to work within a group, creativity, interpersonal skills etc.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued...

- In-tray exercises

  These exercises will simulate an in-tray of a manager and the applicant has to go through the tray and make decisions on the problems that they find.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued...

- Assessment centers
  - These tests are used to measure individual difference in aptitude, ability, intelligence or personality
  - Assessment centers utilise a mix of all of the above techniques
  - Due to the opportunity to use a variety of methods - all of which are potentially assessing different aspects of the candidates - they are often described as the ‘Rolls Royce’ of selection methods (IRS, 2005)
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Techniques used in the process of selection continued...

- These are widely considered the most objective and best predictive selection tool for future performance.

- Assessment centers are complex to design, time consuming, and costly, meaning that they are often, though not exclusively, reserved for appointing managerial or graduate-level staff.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

**Process of recruitment and selection: Was it successful?**

- In order for the overall process of recruitment and selection to be considered successful it is important to ensure the following criteria are met
  - It is considered fair by candidates
  - Cost effective
  - User friendly
  - Acceptable to both the organisation and the candidates
  - Reliable and valid

- The reliability of a selection process: The extent to which a selection technique achieves consistency in what it is measuring over repeated use
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Process of recruitment and selection: Was it successful? continued…

- The validity of a selection process: Is of 3 types

1. **Face Validity** - the issue of whether the selection procedure was seen to be valid to candidate and tester
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Process of recruitment and selection: Was it successful? continued…

II. **Predictive validity** - whether the outcome selection able to predict the ability to perform effectively when in post
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Process of recruitment and selection: Was it successful? continued...

III. **Content validity** - ensuring that the test or exercise in assessing certain skills is actually relevant to the job in question
Final stage of a selection process

- Once the selection procedure is over there is also a need for organisation to ensure that there is feedback to both the successful and unsuccessful candidates.

- Organisations should aim therefore to give feedback as soon as possible.

- It is also important to recognise that for the feedback to be meaningful it should be specific as opposed to being too vague to allow candidates to fully appreciate why they did not get the job.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Final stage of a selection process continued…

- A benefit from giving constructive feedback is that at the end of the recruitment and selection process the organisation is still maintaining a positive image
  - Acceptable to both the organisation and the candidates
  - Reliable and valid
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Appointment and introduction

● What is induction?

- ‘Arrangements made by or on behalf of the management to familiarise the new employee with the working organisation, welfare and safety matters, general conditions of employment and the work of the departments in which he is to be employed

- It is a continuous process starting from the first contact with the employer
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Appointment and introduction continued…

- Introduction to workplace, colleagues, rules, etc.

- Ensuring that they know and understand what is required of them in order to do their jobs satisfactorily

- This includes telling them or preferably showing them the layout of the place of work, introducing them to colleagues and explaining to them the function of other relevant departments

- Whatever the level of competence, however, it is advisable to use a checklist to ensure that an induction procedure deals adequately with all necessary aspects of induction
Appointment and introduction continued…

- What is a letter of appointment?
  - A formal letter should then be sent off incorporating all conditions of employment and also the job description
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Introduction

- How one introduces or inducts each new individual to an organisation depends upon many factors, such as the newcomer’s experience and knowledge and the type and level of job he or she is to undertake

- The simplest and most common method of induction is a short discussion in a supervisor’s office followed by informal chats

- Another method is the ‘sponsor’ or ‘mentor’ method in which a newcomer is introduced to an established employee who will show them the ropes

- Some induction programmes make use of formal training techniques in classroom situations
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: What a job consists of

- Induction is not something that takes place on the first morning of a new job; it can be a relatively long process, with some people taking many weeks to settle in.

- People will not be able to cope with the work part of their job unless they understand and are familiar with the surrounding elements. These include:
  - Location and physical layout
  - Colleagues and informal relationships
  - Management, supervision and formal relationships
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: What a job consists of continued...

- Customers

- Conditions of employment and contracts

- Company and house rules
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: What a job consists of continued...

- The induction process is concerned with introducing an employee to all these elements as quickly as possible so that he or she can concentrate on the work, which is the main purpose of the job, rather than having to learn and worry about all the elements surrounding the work.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: Benefits of induction to employer

The employer benefits from effective induction by,

- Reducing staff turnover
- Improving staff efficiency, work standards, revenue and profits
- Improving staff morale
- Meeting a number of legal obligations
Induction: Benefits of induction to employee

The employee benefits from effective induction by,

- Fitting in and feeling part of the team
- Being accepted as part of the team
- Becoming competent and hence confident in the shortest possible time
Induction: Factors to be considered when preparing induction programmes

The hospitality industry has a number of features that distinguish it from many other employers and these should be borne in mind when induction programmes are being prepared:

- The industry employs a large number of people from the secondary labour market, i.e. people such as housewives who have not trained specifically for employment in the industry and who may not want a career.

- The industry has its own traditions and jargon, much of it either based on a highly specialist use of normal words or, in the case of kitchen work, based on French.

- Immediate customer contact, frequently with little, if any, supervision.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: Factors to be considered when preparing induction programmes continued...

- Complex interdependent operations which can be seriously interrupted by one person not performing his or her role properly

- Many units employ a high proportion of foreign workers, often from different cultures, with different values, expectations and behaviour
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Induction: Induction checklist

- Whatever the level of competence, however, it is advisable to use a checklist to ensure that an induction procedure deals adequately with all necessary aspects of induction.

- In this context it is important to remember that what may not appear important to the employer may be very important to employees.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Each employee is an individual

- Introducing staff into an organisation inevitably involves some of the mechanistic processes just described, but it has to be remembered that each member of staff is an individual.

- Precisely how one introduces or inducts each new individual to an organisation depends upon many factors, such as the newcomer’s experience and knowledge and the type and level of job he or she is to undertake.

- It is vital, however, if induction is to be successful, to try to put oneself in the new employee’s place.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Each employee is an individual continued…

- It is vital, however, if induction is to be successful, to try to put oneself in the new employee’s place.

- As Rafael Steinberg (1977) writes, ‘He arrives unknown. His face is not recognised. His interests and idiosyncrasies are ignored by people he meets. He has suddenly become a number, an anonymous replaceable cog.

- Quite naturally, without thinking about it, he resists this depersonalisation and strives to introduce a measure of humanity to his strange new world.

-Probably the simplest and most common method of induction is a short discussion in a supervisor’s office followed by informal chats.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Each employee is an individual continued...

- This may be quite practical where a person’s superior is readily available. However, where this is not the case, unless a checklist is used, many points may remain unclear for a considerable time.

- Another method is the ‘sponsor’ or ‘mentor’ method in which a newcomer, after an initial talk with their own supervisor, is introduced to an established employee who will show them the ropes.

- If this sponsor technique is used, however, the sponsor should be carefully selected to ensure that he or she knows what the duties are and has the necessary knowledge to carry them out.

- These would include many of the items listed on the induction checklist. In addition, however, a well-chosen sponsor will introduce the new employee to the inner face of the organisation, i.e. informal systems, unwritten rules, etc.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Each employee is an individual continued...

● A copy of this list should be given to the sponsor, to be returned to the newcomer’s supervisor once everything has been completed. The process might take as little as a few minutes, or could be spread over several days.

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- A copy of this list should be given to the sponsor, to be returned to the newcomer’s supervisor once everything has been completed. The process might take as little as a few minutes, or could be spread over several days.

- Finally, some induction programmes make use of formal training techniques in classroom situations.

- This is normally only used by larger employers that can afford the facilities, and these programmes, apart from the initial documentation, may include talks, discussions and films on the company’s history, organisation, rules and regulations.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Each employee is an individual continued...

- The advantage of formal systems such as the sponsor and classroom methods is that because one person is clearly responsible for the induction of newcomers it is more likely to be organised and conducted properly.

- Induction can be considerably simplified by the preparation of clear handouts or manuals elaborating aspects of employment that may need some explanation.

- Pension schemes and grievance procedures, for example, are ideally explained in written form owing to the amount of detail involved.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Measuring the effectiveness of induction programmes

- The purpose of induction procedures is to introduce new employees into the workforce and, with most employers, to reduce the likelihood of the new employee leaving.

- The effectiveness of induction can be measured by measuring labour turnover in three specific ways. These are:
  - The survival curve, which measures an employer’s ability to retain its entrants. It shows employee wastage as a curve which can be divided into the induction crisis, differential transit and settled connection.
  - The labour turnover and retention rates, which measure leavers as a proportion of the labour force, and the average length of service.
  - The length of service distribution, which shows the employer’s ability to build a stable team.
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Measuring the effectiveness of induction programmes continued…

● In meeting the individual’s needs it is important to recognise features of the employer’s organisation and the industry

● The hospitality industry has a number of features that distinguish it from many other employers and these should be borne in mind when induction programmes are being prepared:

- The industry employs a large number of people from the secondary labour market, i.e. people such as housewives who have not trained specifically for employment in the industry and who may not want a career

- The industry has its own traditions and jargon, much of it either based on a highly specialist use of normal words or, in the case of kitchen work, based on French

- Immediate customer contact, frequently with little, if any, supervision
Learning Outcome 3 – Select appropriate strategies for recruitment and selection of staff

Measuring the effectiveness of induction programmes continued…

- Complex interdependent operations which can be seriously interrupted by one person not performing his or her role properly

- Many units employ a high proportion of foreign workers, often from different cultures, with different values, expectations and behaviour

- Effective induction is important also because of the wide range of responsibilities imposed on employers by various national laws

- At the least, effective induction can demonstrate that the employer has exercised ‘due diligence’, i.e. all reasonable precautions have been taken to prevent a breach of the law, such as health and safety or food safety law
Content

I. Summary of Learning Outcomes
II. LO 1 - Evaluate the role of HRM
III. LO 2 - Develop HRM policies for hospitality or tourism organisations
IV. LO 3 - Select appropriate strategies for recruitment and selection of staff
V. LO 4 - Techniques to monitor, appraise, train and develop staff
VI. LO 5 - Role of ethics in relation to the management of staff and customers
Objectives

Assessment Criteria:

- Critically evaluate the theories and practice of motivation
- Assess training and development needs of staff within hospitality or tourism organisations
- Assess policies and techniques for undertaking appraisal and review of performance within hospitality or tourism organisations
Reference List:-


Learning Outcome 4 – Techniques to monitor, appraise, train and develop staff

Theories of motivation

- Motivation through fear
- Carrot-and-stick method
- Economic person theory
- Human relations theory
- Maslow’s hierarchy of needs
Theories of motivation continued...

- Theory Y and motivation
- Herzberg’s motivation - Hygiene theory
- Behaviour modification
- Reinforcement and expectancy theory
Motivation through fear

- One of the oldest ways of motivating people to perform on the job is to use fear as the trigger for getting action

- This method makes systematic use of coercion, threats, and punishment

- This approach to motivation is sometimes referred to as a “kick in the pants”

- They are typically autocratic, high-control, authoritarian bosses with Theory X beliefs about people, and they think other theories of motivation are baloney, that you must be tough with people
Motivation through fear continued...

- People who work in order to avoid punishment usually produce mediocre results at best, and fear may actually reduce the ability to perform.

- At the same time it arouses hostility, resentment, and the desire to get even.

- Absenteeism, tardiness, poor performance, and high turnover are typical under this type of supervision.
Carrot-and-stick method

- This method combines fear with incentive reward for good performance, punishment for bad performance.

- You may recognise this as carrot-and-stick motivation: the carrot dangled in front as a promised reward, the stick hitting the worker from behind as goad and punishment.

- Once the reward is achieved or the punishment administered, it no longer motivates performance, and another reward must be devised or punishment threatened or applied.
Carrot-and-stick method continued...

- Employees come to feel that they have a continuing right to the rewards (such as higher wages, fringe benefits) and these get built into the system without further motivating effect.

- The punishments and threats of punishment breed resentment and resistance.
Economic person theory

- This classical view of job motivation was known as the economic person theory

- Frederick Taylor was perhaps its most influential advocate

- Taylor developed his scientific management theories on the cornerstone of incentive pay based on amount of work done
Economic person theory continued…

- He firmly believed that he was offering workers what they wanted most, and that the way to motivate workers to increase their productivity was to relate wages directly to the amount of work produced.

- What he did not know was that the employees in his plant were far more strongly motivated by their loyalty to one another.
Human relations theory

- The Hawthorne experiments were conducted by Elton Mayo and produced what, at the time, was considered surprising results.

- Researchers testing the effects on productivity of changes in working conditions came up with a baffling series of results that could not be explained in the old scientific management terms.

- It became obvious through the experiments that the change in productivity was the result of something new, not the economic factor of a paycheck or the scientific factors of working conditions or close supervision.
Human relations theory continued…

- Mayo’s conclusion was that a social factor, the sense of belonging to a work group, was responsible

- After the Hawthorne experiments uncovered the human factors affecting productivity, the social person succeeded the economic person in motivation theory

- The human relations enthusiasts pushed their convictions that if people are treated as people, they will be more productive on the job
Human relations theory continued...

- Make people feel secure, they said, treat them as individuals, make them feel they belong and have worth, develop person-to-person relationships with each one, let them participate in plans and decisions that affect them and they will respond by giving their best to the organisation.

- For his theory to work, higher wages, better working conditions, pension plans, paid vacations, insurance plans, and other fringe benefits, making workers happier should be considered.
Maslow’s hierarchy of needs

- Human beings, he pointed out, are wanting animals, and they behave in ways that will satisfy their needs and wants

- Their needs and desires are inexhaustible; as soon as one need is satisfied, another appears to take its place

- In Motivation and Personality (New York: Harper & Row, 1954), Maslow proposed a hierarchy of universal human needs representing the order in which these needs become motivators of human behaviour
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Maslow’s hierarchy of needs continued...

- **Physiological Needs**
  - Salary

- **Safety Needs**
  - Benefits and Pension Plan
  - Friends at Work

- **Social Needs**
  - Job Title

- **Ego Needs**
  - Challenging Job

- **Need for self-Fulfillment**
Maslow’s hierarchy of needs: Physiological needs

1. Physiological needs

- Related to survival, such as food and water
- When these needs are not being met, every effort is directed towards them
- For many hospitality employees this equates to salary or wages
Maslow’s hierarchy of needs: Safety needs

2. Safety needs

- Include protection, security, stability, structure, order, and freedom from fear, anxiety, and chaos
- For hospitality employees this equates to benefits and pension plans
Maslow’s hierarchy of needs: Social needs

3. Social needs

- These include the need to be with others, to belong, to have friends, to love, and be loved
- For hospitality employees this means socialising at work
Maslow’s hierarchy of needs: Ego needs

4. Ego needs

- The higher level of needs centered on esteem

- Desire for self-esteem or self-respect and for the strength, achievement, mastery, competence, confidence, independence, and freedom that provide such self-esteem

- The esteem of others: for status, fame and glory, dominance, recognition, attention, dignity

- The need for esteem gives rise in some people to the need for power as a way of commanding the esteem of others
Maslow’s hierarchy of needs: Need for self fulfillment

5. Need for self fulfillment (self-actualisation)

- This includes the need to be doing what one is best fitted for, the desire to fulfill one’s own potential

- For the hospitality employee this equates to a challenging job where people can always learn more
Maslow’s hierarchy of needs continued...

- One or another of all these personal needs or various combinations of needs is what motivates people to do what they do.
- If a lower need goes unsatisfied, people will spend all their time and energy trying to fill it and they will not experience the next level of needs until the lower needs are met.
- When a need is satisfied it is no longer a motivator, and the next level of needs becomes the predominant motivation.
- Thus motivation is an unending cycle of need and satisfaction, need and satisfaction.
Theory Y and motivation

- Maslow’s theories were the springboard for Douglas McGregor’s Theory X and Theory Y, two opposing views of the way that supervisors and managers look at their workers.

- Theory X and Theory Y applied Maslow’s theories directly to the problem of motivating workers on the job.
Theory Y and motivation

- McGregor made two particularly significant contributions with Theory Y

I. One was to revise the typical view of the way that people look at work: It is “as natural as play or rest” when it is satisfying a need. This is a flat reversal of the Theory X view of the worker, and it suggests a clear reason why people work willingly.

II. The second contribution to motivational theory was the idea that people’s needs, especially their ego and self-actualisation needs, can be made to operate on the job in harmony with the needs and goals of the organisation.
Theory Y and motivation continued...

- If you can give people work that will fill some basic need, their own motivation will take care of its performance.

- People will work harder and longer and better for the company if they are satisfying their own needs in the process.
Herzberg’s motivation - Hygiene theory

- Frederick Herzberg explained why human relations methods failed to motivate performance and identified factors that truly motivate.

- Herzberg found that factors associated with the job environment compensation, supervision, working conditions, company policy, and so on, create dissatisfaction and unhappiness on the job when they are inadequate; they become dissatisfies.

- But removing the causes of dissatisfaction (the human relations approach) does not create satisfaction, and it therefore does not motivate performance. Herzberg called these environmental factors hygienic factors (Maintenance Factors).
Herzberg’s motivation - Hygiene theory

- Herzberg found that the factors that motivates consist of opportunities in the job itself for achievement and growth - such factors as recognition, responsibility, achievement, advancement, the work itself. He called these factors **motivators**
Herzberg’s motivation - Hygiene theory Contd...

Satisfaction  \[\text{Hygiene (Maintenance)}\]  No Satisfaction

- Company Policy
- Working Conditions
- Compensation
- Supervision

Satisfaction  \[\text{Motivators}\]  No Satisfaction

- Recognition
- Responsibility
- Achievement
- Advancement
- Work Itself
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

**Behaviour modification**

- A newer method for improving performance, simply bypasses inner motivation and deals instead with behaviour change.

- It takes off from the behaviourist’s theory that all behaviour is a function of its consequences; people behave as they do because of positive or negative consequences to them. If the consequences are positive, they will tend to repeat the behaviour; if they are negative, they will tend not to.

- If you want to improve performance, then, you will give positive reinforcement (attention, praise) whenever people do things right.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Behaviour modification continued...

- You look actively for such behaviour, and when you catch people doing something right, you praise them for it.

- The use of behaviour modification has burgeoned in recent years, and it can sometimes be very effective. There have been instances where positive reinforcement has not only corrected undesired behaviour but has actually increased productivity.
Reinforcement and expectancy theory

- Supervisors can modify behaviour by giving appropriate praise and rewards.

- Positive reinforcement should be given right after the behaviour occurs. Good performance is rewarded by praise, preferably in front of other associates, and other incentives like bonuses, gifts, promotions, pay increases, and other perks can be given.

- Negative reinforcement is the withholding of praise and rewards for inferior performance.
Reinforcement and expectancy theory continued...

- The expectancy theory explains that employees are concerned about three important questions:
  
  1. How much effort, diligence, care, etc., should I devote to my work?
  
  2. If I perform well as a result of my effort, diligence, care, etc., will I obtain desired outcomes to satisfy my needs?
  
  3. Does my employer provide work outcomes that satisfy my needs?

- With the work expectancy theory it is vital that supervisors provide the training and coaching necessary so that the associates will have the expectancy of achieving superior performance.

- If however, the superior performance goes unrewarded or even if the reward does not match up to the associates expectations, then dissatisfaction will result.
Training

- Training is a form of communication, and as in all communication, the sender (trainer) controls only the first half of the interaction. The second half, the receiving of the message—the learning—depends on the trainee.

- Learning is the acquisition of knowledge, skills, or attitudes.
Many of the following tips for helping employees learn are derived from a field of study called adult learning theory.

1. **Employees learn best when they are actively involved in the learning process**

When employees participate in their own training, they retain more of the concepts being taught. To get employees involved, you need to choose appropriate teaching methods. Teaching methods are the ways we convey information to learners.
Tips for helping employees learn

2. Employees also learn best when the training is relevant and practical

Adult learners are picky about what they will spend their time learning. They often pursue learning experiences in order to cope with life-changing events such as a job change. Learning must be especially pertinent and rewarding for them.
3. Besides being relevant, training material needs to be well organised and presented in small, easy-to-grasp chunks

Adults need to be able to learn new skills at a speed that permits mastery. Unlike children, adults come to the classroom with prior experience, so they need to integrate new ideas with what they already know. Using visual aids, such as posters, during training helps to focus employees’ attention, reinforce main ideas, save time, and increase understanding and retention.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Tips for helping employees learn

4. The optimal learning environment for employees is an informal, quiet, comfortable setting

The effort you put into selecting and maintaining an appropriate environment for training shows your employees how important you think the training is. Employees like to feel special, so find a private room, and consider having beverages, and perhaps some food, available.
Tips for helping employees learn continued...

5. In addition to training in an appropriate setting, employees learn best with a good trainer.
Tips for helping employees learn continued...

6. **Toward the end of training, employees are generally evaluated on how well they are doing**

Employees learn best when they receive feedback on their performance and when they are rewarded (perhaps with a certificate or pin) for doing well.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Characteristics of a Good Trainer

- Displays enthusiasm and has a sense of humor
- Communicates clearly in a way that participants understand
- Is knowledgeable
- Is sincere and patient and listens to participants
- Encourages and positively reinforces all participants
Characteristics of a Good Trainer continued…

- Is organised

- Plans the training session

- Involves all participants

- Presents the material in an interesting and appropriate way for participants to learn

- Checks the outcome to see that all participants have learned the training topics
Recent research undertaken by the CIPD provides a snapshot of a number of features of performance management, as outlined in the following tables:

<table>
<thead>
<tr>
<th>Feature</th>
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<tbody>
<tr>
<td>Individual annual appraisal</td>
<td>65</td>
</tr>
<tr>
<td>Objective setting and review</td>
<td>62</td>
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<td>Personal development plans</td>
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<tr>
<td>Career management</td>
<td>37</td>
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<tr>
<td>Coaching and/or mentoring</td>
<td>36</td>
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<tr>
<td>Competence assessment</td>
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The nature of performance management and performance appraisal continued…

<table>
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<th>Feature</th>
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<tr>
<td>Performance related pay</td>
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<tr>
<td>Self-appraisal</td>
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<td>Twice yearly/biannual appraisal</td>
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<td>Continuous assessment</td>
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<td>360-degree appraisal</td>
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<td>Subordinate feedback</td>
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Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

The nature of performance management and performance appraisal continued…

<table>
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<td>Team pay</td>
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</table>
What is performance appraisal?

- The process of evaluating the performance and assessing the development/training needs of an employee

- A process of reviewing individual performances against pre-determined criteria or objectives, involving the gathering of information, one or more meetings and some form of report which may include a performance rating

- Appraisal is a process that allows for an individual employee’s overall capabilities and potential to be assessed for the purposes of improving their performance
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Performance appraisal continued…

● A recent survey by IRS (2005a) suggests that over 90 per cent of workplaces have some form of performance appraisal, usually a conventional top-down appraisal system

● Moreover there has been a shift in recent years which have seen more and more organisational members subject to such appraisal, which had traditionally been geared more to managerial staff

● There may also be the additional issue in tourism and hospitality of the predominance of small- and medium-sized enterprises

● Goldsmith et al. (1997) note that appraisal is unlikely to be something that is realistic for a small family-concern type business or a single person operation
Performance appraisal continued…

- Appraisal has certain minimum requisites or parameters, including,
  - The equivalent of at least 20 full-time non-managerial employees;
  - A minimum of one layer of professional management between the organisation’s proprietor and operative staff;
  - Some evidence of departmentalisation where individual departments have their own heads or supervisors
Performance appraisal continued…

- Lucas (2004) in her interrogation of the Workplace Employee Relations Survey data, found that 85 per cent of managers in the hospitality and tourism industry had responsibility for performance appraisal.

- Interestingly, Lucas also found that performance appraisal is more likely to be used in the hospitality industry compared to all private sector service organisations.

- Hoque (1999) found that 89 per cent of the 232 hotels he surveyed regularly used appraisal, compared to 62 per cent of similar sized establishments in manufacturing.

- Woods et al. (1998) also found a high incidence of appraisal within the US. In a survey of 1000 hotels covering all geographic areas, all types of market segment, ownership type, size and number of employees Woods et al. found that two-thirds of his sample had an annual appraisal.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Performance appraisal continued...

- Clearly appraisal then is a significant part of broader HRM concerns in hospitality and tourism and we can now go on to consider some of the challenges facing managers in operationalizing appraisal schemes.

- 85% of managers in the hospitality and tourism industry had responsibility for performance appraisal (Lucas (2004) in her interrogation of the Workplace Employee Relations Survey data).

- In reality, in most workplaces staff are being continually monitored and assessed by management in an informal manner. Indeed, ACAS (2005: 2) suggest that, ‘regular dialogue between managers and their staff about work performance should, of course, be encouraged’.

- An appraisal system can develop a greater degree of consistency by ensuring that managers and employees meet formally and regularly to discuss performance and potential.
Although the performance appraisal might be thought of as a ‘good’ thing, in reality there is much debate and concern surrounding the notion of appraisal.

- W. Edwards Deming, a leading advocate of TQM, has suggested that appraisal is wrong in principle and an ineffective management philosophy, describing it as a ‘deadly disease’ (cited in Bach, 2005)

- Stephen Covey, the well-known management guru, has described appraisal as a ‘disgusting habit’, outmoded and more suited for an industrial age that no longer exists (cited in IRS, 2005a)
Performance appraisal continued...

- However, some of these negative views of appraisal could potentially be addressed by training for managers to ensure that they are clear of the importance of appraisal.

  ‘If managers are not properly trained and committed to the appraisal system, the performance review can become just a paperwork exercise, at best, or - at worst - a harmful one’
Training may be appropriate in attempting to address some of the problems which may plague appraisal such as:

- Prejudice, for example, sex or race discrimination
- Subjectivity and bias, especially with regard to rater bias
- Insufficient knowledge of the appraisee – so appraiser position is based on position in hierarchy, rather than any real knowledge of person's job
- The ‘halo’ and ‘horns’ effect where managers rate employees on the basis of their personal relationships rather than by objective measure of their competencies and abilities
Performance appraisal continued...

- The problem of context - the difficulty of distinguishing the work of appraisees from the context in which they work

- What might be termed the ‘paradox of roles’ in terms of the conflation of judge and counselor (mentor) role which can lead to confusion

- The paperwork - overly bureaucratic and simply about form filling

- The formality - for both appraiser and appraisee it can be an uncomfortable experience

- Outcomes are ignored
Performance appraisal continued...

- Everyone is ‘average or just above average’

- Appraising the wrong features - too much stress on easily identifiable things

- Recency bias leading to a tendency to base appraisals on the recent past

In many respects the above issues reflect what Bach (2005) calls the ‘orthodox critique’, wherein many of the problems above could potentially be addressed by seeking to remedy the imperfections in the design and implementation of the appraisal system or by improving managerial training in conducting appraisals.

For some though there may well be much more fundamental criticisms to be made about the process of appraisal.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Performance appraisal continued...

- Bach (2005) notes the emergence of more critical accounts of appraisal, in particular recognising how, ‘unitary assumptions about the benevolent purposes of appraisal are replaced by a more radical ideology concerned to examine managerial objectives, especially tighter control over behaviour and performance, the potential to individualise the employment relationship and the scope for managers to use appraisal as a veneer to legitimate informal management’

- For example, many of the criticisms, drawing on the work of Foucault, see appraisal as inherently sinister and about aiming to control all aspects of employee behaviour and eliminating scope for employee resistance, so appraisal is simply about bolstering managerial power and control

- Bach suggests that critical perspectives seek to highlight that it should not be assumed that clearer objectives and training of appraisers will necessarily yield satisfactory results
Performance appraisal continued...

- Consequently it is important to recognise how, ‘the contested nature of appraisal, the specific managerial objectives sought and the nature of the context in which it is applied, all have an important bearing on the impact of the appraisal process’

- Holdsworth (1991: 65) rightly suggests, ‘appraisal is a compulsively fascinating subject, full of paradoxes and love-hate relationships. And appraisal schemes are really controversial

- Ultimately, despite the debates surrounding its utility, appraisal is a fact of organisational life

- As Bratton and Gold (2003: 252) note, ‘making judgements about an employee’s contribution, value/worth, capability and potential has to be considered as a vital relationship with employees’
Performance appraisal continued...

- Given the reality of performance appraisal being an inevitable part of a manager’s life we can now look at the practicalities in appraising employees.

- In appraising employees a number of writers have outlined two main perspectives the evaluative and the developmental.

- In the former approach the main aim is to make a judgement about an appraisee’s performance, with such a judgement being made against aspects such as the job description and established objectives, which may be linked to extrinsic rewards.

- Often this will also involve managers making rating or ranking decisions that differentiate between staff on the basis of their relative performance.
On one hand, developmental approaches are likely to have a different premise, where the appraiser and appraisee aim to discuss the progress, hopes and fears of the appraisee in a mutually supportive atmosphere.

In reality, within any given organisational setting there may not be such an absolute and clear-cut distinction and there may be elements of both evaluative and developmental approaches.

The purpose of performance appraisal has tended to oscillate between concerns about short-term performance to a more developmental orientation.

Appraisal has also been used as a disciplinary tool by some organisations, with poor performance being something that appraisals systems have sought to address, a point to which we will return later.
It is important to recognise that many appraisal systems will still retain attempts to measure performance, often using a variety of techniques.

Woods et al. (1998) found that hotels in their survey used one or more of four approaches,

- 48% management by objective (MBO)
- 41% behaviourally anchored rating scales (BARS)
- 37% narrative essay
- 28% graphic rating scale
Other methods which organisations may use include performance standards and matching performance against job descriptions, rating an employee based on a scale, which may for example range from ‘outstanding’ to ‘unacceptable’ and critical incidents.
### Criteria used to measure individual performance: Performance Management Survey Report by CIPD (2005)

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Criteria used to measure individual performance: Performance Management Survey Report by CIPD (2005) continued…

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Criteria used to measure individual performance: IDS (1989, cited in McKenna and Beech, 2002)

- Knowledge, ability and skill on the job
- Attitude to work, expressed as enthusiasm, commitment and motivation
- Quality of work on a consistent basis and attention to detail
- Volume of productive output
- Interaction, as exemplified in communication skills and ability to relate to others in teams
Approaches to appraisal

- Self-appraisal

  - Expects employees to take greater ownership, with employees assigned greater responsibility for establishing their own performance goals and for obtaining feedback on their performance.

  - With self-appraisal, then, instead of employees’ being passive recipients of their line manager’s appraisal they are increasingly involved via some form of self-assessment, often being more critical than if the manager conducted the appraisal.
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Approaches to appraisal continued...

- Peer appraisal

  Fellow team members, departmental colleagues or selected individuals with whom an individual has been working provide the assessment of performance.
Approaches to appraisal continued...

- Upward appraisal
  - Managers are appraised by their staff
Approaches to appraisal continued...

- Customer appraisal

  - Setting employee performance standards based upon customer care indicators and appraising staff against these
Approaches to appraisal continued...

- Multi-rater or 360-degree feedback

  Performance data is generated from a variety of sources, which can include the person to whom the individual being assessed reports, people who report to them, peers (team colleagues or others in the organisation), and internal and external customers.
Use of customer service data in appraisal

In terms of the use of customer service data and how it may be used to appraise employees, Redman notes how it can be gathered by a variety of means.

- **Customer surveys**

  Organisations are now becoming increasingly sophisticated in the manner in which they gather customer feedback, which is gathered via a number of means such as the use of customer care cards, telephone surveys, interviews with customers and postal surveys.
Use of customer service data in appraisal continued...

- Range of surveillance techniques

  Managers may ‘sample’ the service encounter. For example, if a travel company had a call center managers could listen to some of the calls between customers and the call center operatives.
Use of customer service data in appraisal continued...

- ‘Mystery’ or ‘phantom’ shopper

Mystery shoppers observe and record their experience of the service encounter and report these findings back to the organisation. Although this method may be seen as rather controversial - employees may view the mystery shoppers as ‘spies’ or ‘snoopers’ and indulge in ‘shopper spotting’ - it is widely used in the tourism and hospitality industry.
Appraisal in practice: Why should organisations appraise people at work?

- Why should organisations appraise people at work? A range of writers (see e.g. Bach, 2005; IRS, 2005a, b) suggest a number of reasons, including:

  - Appraisal can be an integral part of ensuring that organisational members are aware of what is expected of them and can thus play an important part in socialising organisational members to ‘buy in’ to the organisational culture.

  - Improve current performance.

  - Provide feedback: We all seek approval and conformation that we are doing the right thing, and we also like to advise or direct others on how they should do things.
Appraisal in practice: Why should organisations appraise people at work?

- Increase motivation
- Identify training and development needs
- Identify potential
- Let individuals know what is expected of them
- Focus on career development and succession planning
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Appraisal in practice: Why should organisations appraise people at work? Continued...

- Award salary increases/performance related pay
- Evaluate the effectiveness of the selection process
- Solve job problems
- Set objectives: Using the SMART mnemonic
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Appraisal in practice: Why should organisations appraise people at work? Continued…

- In reality, in most workplaces staff are being continually monitored and assessed by management in an informal manner.

- ACAS (2005: 2) suggest that, ‘regular dialogue between managers and their staff about work performance should, of course, be encouraged’.

- That said, the danger with such informality is that it is very much dependent on individual managers and whether they are giving regular feedback. Consequently, ACAS further note that an appraisal system can develop a greater degree of consistency by ensuring that managers and employees meet formally and regularly to discuss performance and potential.
The appraisal form

- Contents in an appraisal form
  
  - Basic personal details, such as name, department, post, length of time in the job
  
  - Job title
  
  - Job description
  
  - A detailed review of the individual’s performance against a set of job related criteria
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

The appraisal form continued…

- An overall performance rating
- General comments by a more senior manager
- Comments by the employee
- A plan for development and action
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Appraisal interview/meeting

- Appraisal interview

  The appraiser starts the interview by encouraging the employee to identify and discuss problem areas and then consider solutions. The employee therefore plays an active part in Analysing problems and suggesting solutions, and the evaluation of performance emerges from the discussion at the appraisal interview, instead of being imposed by the appraiser upon the employee (Anderson, 1993: 102, cited in Torrington et al., 2005: 341)
Learning Outcome 4 - Techniques to monitor, appraise, train and develop staff

Appraisal interview/meeting continued…

- Elements of a ‘good’ and constructive appraisal meeting
  - Appraisees do most the talking
  - Appraisers listen actively to what they say
  - There is scope for reflection and analysis
  - Performance is analysed and not personality
  - The whole period is reviewed and not just recent or isolated events
  - Achievement is recognised and reinforced
  - Ends positively with agreed action plans
Appraisal interview/meeting continued...

Elements of a ‘bad’ appraisal meeting

- Focuses on a catalogue of failures and omissions
- Is controlled by the appraiser
- Ends with disagreement between appraiser and appraisee
Managing poor performance

- Armstrong (2001: 484-485) suggests that there are five basic steps in handling performance problems

1. Identify and agree the problem through Analysing feedback and getting agreement from the employee what the shortfall has been

2. Establish the reason(s) for the shortfall and avoid crudely attaching blame for problems in the job

3. Decide and agree on the action required, whether it be things like a change in attitude, behaviour or improvements in certain skills or abilities
Managing poor performance

4. Resource the action by providing coaching, training and guidance to ensure that changes can be made.

5. Monitor and provide feedback, which may also include an element of self management in the learning process.
Content

I. Summary of Learning Outcomes
II. LO 1 - Evaluate the role of HRM
III. LO 2 - Develop HRM policies for hospitality or tourism organisations
IV. LO 3 - Select appropriate strategies for recruitment and selection of staff
V. LO 4 - Techniques to monitor, appraise, train and develop staff
VI. LO 5 - Role of ethics in relation to the management of staff and customers
Objectives

Assessment Criteria :-

- Assess the importance of counseling and other welfare services for hospitality or tourism organisations
- Critically evaluate the reasons for adopting an ethical position
- Assess the factors and issues involved in the implementation of an ethics policy within hospitality or tourism organisations
Reference List:


Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Employee welfare

- Welfare provision: Welfare provision generally refers to those policies which are directed at some aspect of employee well being, both in a physical and emotional sense.

- Physical aspects of a broader welfare policy stem from measures to improve health and safety in the workplace, as well as issues such as the provision of paid holidays and reduced working hours.

- From an emotional/psychological perspective organisations are likely to be concerned with the mental well being of their employees, or more broadly anything involving the ‘human relations’ needs of people at work.

- In reality there is a degree of interconnectedness between physical and mental aspects of welfare, though it is also important to consider the potential distinctions that may be made between them.
Reasons for the existence of welfare policies

- Goss (1994) suggests that organisations have usually developed welfare provision within the paradigm of three common ‘welfare rationales’, these being:

1. Legalistic-reactive
2. Corporate conscience
3. Company paternalism
Reasons for the existence of welfare policies continued…

1. Legalistic-reactive

- In this approach an organisation’s approach to welfare policy is primarily driven by legislative requirements

- With such an approach the organisation does not see developing welfare policy as an important part of its core objectives but rather something that has to be complied with
Reasons for the existence of welfare policies continued...

2. Corporate conscience

- Here, Goss notes how historically the role of personnel had a strong welfare orientation

- This welfarist approach became increasingly seen as ‘soft’ and ‘indulgent’, especially within a more competitive business environment
3. **Company paternalism**

- This approach is concerned with the ‘fatherly’ manner in which organisations would seek to look after all aspects of their employees’ lives.

- This takes into account not only the immediate work environment, but the manner in which employees lived their lives outside of work.
Absence management

- Increasingly organisations are attempting to take a more proactive approach to the management of absence, recognising both its direct and indirect costs

- CIPD (2005a) note that 9 out of 10 organisations report that absence is a ‘significant’ or ‘very significant’ cost to the business

- Overall, the cost of absence to the UK economy is £11 billion (Simms, 2005), and more specifically CIPD (2005a) notes how the cost per employee is £601
Absence management continued…

- Direct costs of absence
  - Cost of occupational sick pay
  - Lost production
  - The need to bring in replacement staff
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Absence management continued…

- Indirect costs of absence
  - Burden on other organisational members
  - Leading to poor morale
  - Lower productivity
  - Reduced customer retention and profitability
Absence management continued...

- In the CIPD (2005a) annual survey of rates of sickness absence hotels, restaurants and leisure had an absence rate of 3.2% and on average employees took 7.3 days off sick.

- In comparing these figures to other sectors, hospitality and tourism has higher absence rates than private services generally (3.0% and 6.8 days), yet compares favorably with the economy as a whole (3.7% and 8.4 days).

- There is also the vexed issue of whether sickness absence is ‘genuine’. The absence survey by the CIPD (2005a) suggested that 14% of absence across the economy as a whole is not genuine.
Absence management continued...

- According to a survey conducted in 2004 by the Confederation of British Industry found a similar figure (15%), whilst also noting that retail and distribution, hotels and restaurants were amongst the sectors with the highest levels of non-genuine absence (respectively, 21% and 19%)

- CIPD (2006a) notes that in broad terms there are two types of absence, short term and long term - defined as 10 days or more (Simms, 2005)

- Short term sickness absence will usually be certificated, self-certificated or covered by a doctor's note

- For longer term absence there may be a need to involve occupational health professionals or utilise rehabilitation programmes in order to get the employee back to work
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Ethics

● What are ethics?

- A set of moral principles or rules of conduct that provide guidelines for morally right behaviour

● There are ethical considerations in many of the decisions that you will make, from personnel management issues to money issues to purchasing and receiving practices

● Unfortunately, the hospitality industry as a whole has not written its own code of ethics, but you will find that some operations have written their own
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Ethics continued...

- To give you an idea of how ethics are involved in your job as a hospitality leader, let’s look at three scenarios

1. You have completed interviewing a number of candidates for a security position. One of the top three candidates is a relative of a supervisor in another department with whom you are close friends. You have been getting pressure from your friend to hire this candidate and you don’t want to alienate him, so you hire his relative even though one of the other candidates is more suited for the job.

2. Business at the hotel could be better on weekends, so you advertise 25% discounts on rooms. To keep profitability high, you inflate the room rate before taking the discount.
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Ethics continued...

3. As purchasing manager, you know that the policy is not to accept free gifts from vendors. But one day when you are out to lunch with a vendor, he offers you free tickets to a major league baseball game and you accept them. You can’t wait to take your son to the game.

- As you can see from these examples, moral principles and standards of conduct are just as necessary in the workplace as they are in your personal life.

- There are ethical considerations in many of the decisions that you will make, from personnel management issues to money issues to purchasing and receiving practices.
Deciding how ethical a certain decision is

Stephen Hall suggests 5 questions that you can use to help decide how ethical a certain decision is:

1. Is the decision legal?
2. Is the decision fair?
3. Does the decision hurt anyone?
4. Have I been honest with those affected?
5. Can I live with my decision?
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

Deciding how ethical a certain decision is continued...

Ethical Considerations

- Legal Decision?
- Fair Decision?
- Does Decision Hurt Anyone?
- Have I been Honest with Those Involved?
- Can I Live with My Decision?
What are the ethical issues?

The range of ethical issues includes relationships with,

- Customers
- Employees and managers
- Supplies and suppliers
- Sources of finance
- The community
What are the ethical issues?

- Are trade descriptions honest and complete or is only limited information given?

- Are customers told about controversial products, e.g. irradiated foods and genetically modified foods?

- Are prices misleading, with hidden extras?

- Are customers misled about past performance?
What are the ethical issues? Continued…

- Do staff bonus schemes put customers at risk?

- Is customers’ ignorance of their rights exploited?

- Are significant facts hidden, e.g. hidden commissions in contract catering?

- Are risks taken with customers’ health and safety, e.g. taking risks with food temperatures or fire exits?
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

What are the ethical issues?

- Employees and managers
  - A major area of ethical concern is how employers treat their employees
  - Are staff selected and promoted fairly or are
  - Some candidates passed over because of their sex, race, disability or even age?
  - Is discipline even-handed?
What are the ethical issues? Continued…

- What should be of major concern to senior managers is the fact that, though they may profess ethical principles, they often put such pressure on their middle and junior managers that ethical behaviour becomes difficult and often impossible.

- Robbins (2005) reports that in the USA there is a significant increase in company training schemes which specifically deal with ethical issues.

- A survey conducted in the late 1990s found that around 75% of the workers in the 1000 largest US corporations received some level of ethics training.
What are the ethical issues?

- Supplies and suppliers
  - These days, caterers and hoteliers are faced with a range of ethical problems concerning supplies.
  - Should a caterer give a customer what the customer wants in spite of ethical considerations?
  - Some animal products - frogs legs and sharks fins - for example, are obtained using very cruel methods. Some methods endanger whole species. Should a caterer offer these or even supply them if asked?
  - When stationery, furniture, etc., is bought, is the source of raw material checked out?
What are the ethical issues? Continued…

- Is it from a sustainable source or is it contributing, even in a very minor way, to ecological damage?

- Are cleaning materials, energy sources and other supplies environmentally friendly?

- How are the suppliers’ employees treated? Are they treated ethically?
Learning Outcome 5 - Role of ethics in relation to the management of staff and customers

The leader as mentor

Who is a mentor?

- A mentor is a leader, an excellent role model, and a teacher
The leader as mentor continued…

- A supervisor often functions as a mentor to a worker by providing guidance and knowledge on learning the operation and moving up the career ladder.

- The mentor simply provides an example of professional behaviour with minimal or no interaction with the worker.

- Being a mentor can provide feelings of pride and satisfaction because you have contributed to someone else’s career development.