DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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THE REQUIREMENTS FOR THE DEGREE

DOCTOR OF BUSINESS ADMINISTRATION

HRM AND ORGANISATIONAL PERFORMANCE.

AN ATTEMPT TO OPEN THE BLACK BOX

BY

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VOLUME II

APPENDICES

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Declaration of Author's Rights

VOLUME II: APPENDICES

Appendix A: Details of prior empirical studies

A 1: Overview of empirical studies on relationships between HRM and performance

ID	Author	Year	Central question(s)	N	Re-sponse rate	Information source	Observation unit	Method	Cross-sectional/ longitud-inal	Sector	Country
1	Appelbaum et al.	2000	Do HPWP enhance plant performance and improve worker outcomes?	3,950 (302 12 10)[1]		Employees Managers	Plants/ steel finishing lines	Interviews Questionn aire survey	Cross-sec, panel	Steel, Apparel Medical electronic s and imaging	USA
2	Arthur	1992	Do firms try to fit their IR and business strategies?	29[2]	54% (comple te data)	HR managers and line managers	Plants	Questionn aire survey	Cross-sec	Steel	USA
3	Arthur	1994	Does HRM have an effect on manufacturing performance and turnover?	30	56% (HR only)	HR managers	Plants	Questionn aire survey	Cross-sec	Steel	USA
4	Bae & Lawler	2000	Do management values, organisational strategy and speed in firm activities influence HRM adoption? Is the intensity of strategy application and the presence of HIM related to higher performance?	138	70%	HR managers	Plants	Questionn aire survey	Cross-sec	Various	Korea
5	Becker & Huselid	1998	Do HRM and supporting organisational logic have an effect on firm performance? Is there an optimal alignment between these two and within each of the two?	702	18%	HR managers	Firms/ Business units	Questionn aire survey Database for financial data	Cross-sec	Various	USA
6	Berg et al.	1996	Do two distinct production methods (bundle and modular systems) differ in their effects on work-team quality, production costs, and worker outcomes?		69%	HR, line, training managers, employees	Plants of two companies	Interviews Company records	Cross-sec	Apparel	USA

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[1] 302 steel finishing lines, 12 apparel plants, 10 medical electronics plants

No.	Author	Year	Research question	N	Response rate	Data source	Unit	Method	Design	Sector	Country
7	Berg	1999	Which effect do HPWS have on the job satisfaction of workers?	1,355		Hourly employees	Firms	Interviews	Cross-sec	Steel	USA
8	Boxall & Steeneveld	1999	Which contributions can HRM make to ongoing viability and superiority of professional service firms?	3		Multiple respondents per firm across all levels	Firms	Interviews, Company records	Longitud.	Engineering consultancy	New Zealand
9	Cappelli & Crocker-Hefter	1996	Do successful firms have all the same advanced practices or do firms fit their HR strategy which creates unique competencies and their business strategies?			Employees, former employees, experts, competitors etc.	Firms	Interviews, expert views, publicly available information	Cross-sec	Various	USA
10	D'Arcimoles	1997	Can outside actors such as investors use quantitative longitudinal and cross-sectional personnel data to draw conclusions about the impact of HRM on firm profitability?	42		Standardised company personnel reports	Firms	French Company Personnel Report, Financial data bank	Cross-sec longitud.	Various industrial sectors	France
11	Dunlop & Weil	1996	What are the determinants and performance effects of (modular) team based production?	42	50%	No data	Business units	Questionnaire survey	Cross-sec	Apparel	USA
12	Deery & Iverson	1999	What are the performance effects of positive IR climate and organisational commitment which are influenced by certain HRM practices?	460	61% t=1 77% t=2	Employees Company records for financial data	Bank branches	Questionnaire survey	Data collected at three points in time	Banking	Australia
13	Delaney & Huselid	1996	What are the performance effects of HRM practices on perceived organisational and market performance? Is there evidence for the idea of "fit"?	727	50.9%	"Organisational representatives"	Firms	Questionnaire or telephone survey	Cross-sec	Various	USA
14	Delery & Doty	1996	Does HRM have a universal, contingency-dependent or configurational-dependent impact on organisational financial performance?	216 114	21% 11%[1]	HR managers Bank presidents	(Bank)	Questionnaire survey	Cross-sec	Banking	USA

[1] 53% of those banks which returned the HR questionnaire also returned the president's questionnaire

		Year	Research question	n	Response rate	Respondents	Unit	Method	Design	Sector	Country
15	Doorewaard & Meihuizen	1999	Which the contingency of HRM strategies and business strategies help to achieve organisational goals for professional service organisations?	8 (firms; multiple resp.)		Directors, HR managers, past and current junior and senior consultants	Firms	Open interviews, company reports/ Documents	Case studies	Management consultancy	Netherlands Germany
16	Fey et al.	2000	Does HRM have a direct and indirect (through HR outcomes) impact on firm performance?	101	25%	HR or senior managers	Firms	Questionnaire survey	Cross-sec	Various	Russia[3]
17	Guest	1994	Do combinations of strategy presence/absence and high or low degree of HRM policies have different outcomes in new non-union workplaces?	122	39.3%[4]	Managers	Establishments	Questionnaire survey	Cross-sec	Various manufacturing	UK
18	Guest	1999	What effects does HRM have on employees?	1000[5]		Employees	Individual employee	Telephone interviews	Cross-sec	Various	UK
19	Guest & Peccei	1994	Which theoretical models explain best the causes of effective HRM?	443	36.9%	HR and deputy general managers	Healthcare provider units	Questionnaire survey	Cross-sec	Healthcare	UK
20	Hope Hailey	2001	How are HRM and the HR function used to support a change in business strategy?	8 divisions of one firm	52% (survey)	HR managers Senior and line managers Employees	(Semi-) autonomous divisions	Focus groups Interviews Questionnaire surveys	Longitudinal	Food	EU
21	Hoque	1999	Does HRM have an effect on HR and organisational outcomes? Is there evidence for the contingency argument i.e. internal and external fit?	232 (209 used)	35.2% (31.7%)	Most senior manager with HR responsibility[6]	Hotels i.e. business units	Questionnaire survey	Cross-sec	Hotel industry	UK
22	Huang	2000	Is organisational performance significantly related to HRM?	315	36.1%	HR professionals	Firm	Questionnaire survey	Cross-sec	Various	Taiwan

[3] Only foreign-owned companies
[4] 393 of 1000 responded; restriction to those set up or refurbished after1980, resulting in 156 establishments of which 122 non-union
[5] stratified random representative sample
[6] Personal correspondence with Kim Hoque 16 February 2000

#	Author	Year	Research question	N	Response	Respondents	Level	Method	Design	Sector	Country
23	Huselid et al.	1997	Do technical and strategic HRM effectiveness impact on firm performance?	293		HR managers Financial data bank	Firm	Questionnaire survey	Cross-sec (and 1 year lag)	Various	USA
24	Huselid	1995	What statistical and economic effects do HPWP have on turnover, productivity and financial performance?	968	28%	HR managers Financial data bank	Firm	Questionnaire survey	Cross-sec	Various	USA
25	Huselid & Becker	1996	Is there evidence for a lag in the effect of HPWP on performance?[7]	740	20%[8]	HR managers Financial data bank	Firm	Questionnaire survey	Cross-sec and Longitud	Various	USA
26	Hutchinson et al.	2000	How does a bundle of HCM practices evolve at a time of competitive challenge and how are they integrated with changes to functional strategies?	20		Senior management, team leaders, customer advisors, union representatives	Establish-ment	Semi-structured interviews		Service sector	UK
27	Ichniowski et al.	1997	Which kind of effects do innovative employment practices have on productivity on quality?	36		Line/operations HR managers, union repres-entatives etc.	Steel finishing lines	Standardised interviews	Both	Steel	USA
28	Ichniowski & Shaw	1999	Can US manufacturers who follow the Japanese HRM *system* replicate the manufacturing performance advantages in the US?	41		Line/operations HR managers, union repres-entatives etc.	Steel finishing lines	Standardised interviews	Both	Steel	USA Japan
29	Jayaram et al.	1999	Can HRM practices be grouped into certain factors and how do these factors influence manufacturing performance?	57	39%	CEOs or members of top management	Firm or strategic business unit	Questionnaire survey	Cross-sec	Automotive industry	USA

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[7] The principal research question in this paper concerns methodological issues in cross-sectional and panel estimates e.g. measurement error and bias. However, the study also yields data providing evidence on the question mentioned above.
[8] Huselid's (1995) sample was used as measure for the year 1991; a similar study was undertaken in 1994, providing data for 1993. 218 respondents (<10% of the initial sample) participated in both studies.

#	Author	Year	Research question	N	%	Level	Respondents	Method	Design	Industry	Country
30	Kalleberg & Moody	1994	Which organisations do adopt HPWP and which associations do exist between HPWP and organisational performance?				Plant managers National Organizations Study	Questionnaire survey	Cross-sec	Various	USA
31	Katz et al.	1985	Which effects do QWL-efforts and industrial relations systems have on organisational performance?	25		Plants of one company	Company data workers	Secondary data analyses questionnaire survey	Both	Durable goods	USA
32	Kelley	1996	Do firms relying on participative work structures enjoy productivity advantages over those relying on seniority or traditional craft apprenticeship methods?	973	84%[9]	Plants	Plant manager or engineer	Interview	Cross-sec	Machined production sector	USA
33	Khatri	2000	Do firms adopt a fit of HR and business strategies and do firms doing so have better organisational outcomes?	194	24%	Company	CEOs and HR directors	Questionnaire survey	Cross-sec	Various	Singapore
34	Koch & McGrath	1996	Do HR policies help to explain productivity differences between business units?	319	6.5%	Business units	Executives in charge of business units	Questionnaire survey	Cross-sec	Various	USA
35	Koys	2001	Do employee outcomes influence performance or vice versa?	774[10] 64		Restaurants of same chain	Employees Managers	Questionnaire survey	Longitud	Catering	USA
36	Lähteenmäki et al.	1998	What relationship exists between HRM and company performance and which impact does economic recession have on this relationship?	428	43.5%	Company	Managers with HRM responsibility	Questionnaire survey	Cross-sec	Various	Finland
37	Lau & May	1999	Do companies with QWL-efforts perform better?	146		Company		Secondary research financial database	Longitud. (five year trends)	Various	USA
38	Lee & Miller	1999	Does "Organisational Commitment to Employees" have direct and indirect (through facilitation of the execution of positioning strategies) effects on organisational performance?	129		Single-business enterprises	Top executives and vice-presidents	Questionnaire survey	Cross-sec	Various manufacturing industries	Korea

[9] Of those originally surveyed in 1987
[10] Figures for year 1; year 2: 693 employees, 79 managers

No	Author	Year	Research question	N	Response rate	Respondents	Level	Method	Design	Sector	Country
39	Lincoln & Kalleberg	1996	Which kind of effects does work organisation have on employee outcomes?	86	[11]	Top executives Employees Company data	Plants	Questionnaire survey and interviews	Cross-sec	Various manufacturing industries	USA Japan
40	Liouville & Bayad	1998	Which links do exist between HRM practices and employee outcomes, organisational outcomes and firm performance?	271	41.7%	General managers	Firms	Interviews	Cross-sec	Various	France
41	MacDuffie	1995	What is the impact of 'bundles' of HRM practices in combination with different types of production systems on organisational performance?	62		Different respondents for certain sections	Plants	Questionnaire survey	Cross-sec	Automobile industry	Various
42	McNabb & Whitfield	1997	Which interrelationship between "new work practices", unionisation and organisational performance does exist?	83		HR responsible Manager, financial manager and union rep. (WIRS3 data)	Establishment	Interviews	Cross-sec	Various	UK
43	Meyer & Smith	2000	What are the effects of HRM on commitment? Is this relationship mediated by perceptions of HRM?	281	40%	Employees	Employees	Questionnaire survey	Cross-sec	Manufacturing Distribution Financial services	Canada
44	Michie & Sheehan-Quinn	2001	Are high performing firms more likely to use innovative HRM and have lower turnover, functional flexibility?	240	39%	HR directors	Establishments	Telephone interview	Cross-sec	Manufacturing Services	UK
45	Patterson et al.	1998	Are there relationships between attitudes and company performance, culture and performance, and HR practices and performance? How do other managerial practices influence performance in comparison?	67		Senior managers, Employees	Single-site companies	Semi-structured interviews Questionnaire surveys Observation	Longitud.	Various manufacturing	UK

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[11] In-plant response rates 78.1% in Japanese plants, 80.4% in US plants

	Author	Year	Research question	n	%	Respondents	Level of analysis	Method	Cross-sec/Longitud	Sector	Country
46	Patterson et al.	2000	Which relationships do exist between integrated manufacturing, empowerment, and company performance?	80		Senior functional managers/ directors	Single-site companies	Semi-structured interviews, company data, observation	Longitud.	Various manufactur- ing	UK
47	Patterson & West	2000	Do employee job satisfaction, organisational commitment and mental health predict organisational productivity and profitability?	42 (3,977)	54%	Employees	Single-site companies	Questionnai re survey	Cross- sec	Various manufactur- ing	UK
48	Ramsay et al.	2000	What effects do high commitment management systems have on employees and on workplace performance and how are these outcomes achieved? Through higher commitment and motivation or through work intensification?	3000		Employees	Establish- ments	Interviews, questionnair e surveys WERS data	Cross- sec	Various	UK
49	Sanz-Valle et al.	1999	Do HRM practices vary with business strategies?	200	53.3%	CEO	Firm	Structured interviews	Cross- sec	Various	Spain
50	Truss	2001	Which HRM practices does a successful firm have? Which role does the informal organisation have in the process and implementation of HRM policies?	1		Senior and middle management HR staff Employees	Division of multinatio nal firm	Interviews Focus groups Document analyses Questionnai res	Longitud	Electronics	UK
51	Tsui et al.	1997	In which way do employee responses differ under different types of "employee-organisation relationship" strategies?	976 205	60% 64%	Employees and supervisors	Individual	Questionnai re survey	Cross- sec	Various	USA
52	Wang et al.	1999	Which effects does HRM have on organisational performance and how is this effect moderated by business strategy, ownership and industry?	201		Middle managers	Firm	Questionnai re survey	Cross- sec	Various	China
53	Wright et al.	1995	Which interrelations do exist between preferred and implemented strategy, HR capabilities and performance?	143	48%	Basketball coaches	Team	Questionnai re survey	Cross- sec	Basketball teams	USA

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							Establishment		Cross-sec	All – representative of economy	UK
54	Wood & de Menezes	1998	Is there a pattern in the adoption of High Commitment Management, is the adoption related to unionisation and do adopters enjoy better organisational performance?	2061	82.7%	WIRS3 and EMSPS data[12]		Interviews			
55	Youndt et al.	1996	Does a universal or a contingency approach to strategic HRM predict organisational performance perceptions better?	97	31%[13]	General and Functional managers	Plants	Questionnaire survey	Cross-sec[14]	Various manufacturing	USA

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[12] WIRS: Workplace Industrial Relations Survey and Employers' Manpower and Skills Practices Survey, based on interviews in 1693 WIRS-surveyed establishments (response rate 84%)

[13] from the initial sample (pool 512); 160 responded, 123 provided names of functional managers; response rate among functional managers 73% - 89%; case considered valid if at least 2 respondents per plant; 97 plants fulfilled this criteria

[14] 1.5 years later a further questionnaire which assessed performance perceptions was administered; the performance measures were averaged to reduce random error

Total 55 Studies

A 2: HR Effects on Performance Variables – Overview of mediating and outcome variables used in the empirical studies

Author	Year	Outcome variables
Appelbaum et al.	2000	Workers' attitudes: trust in managers, intrinsic rewards, organisational commitment, job satisfaction, overall job stress Firm performance (different variables depending on industry): productivity, cost and throughput time, work-in-process and final inventory
Arthur	1994	Manufacturing performance (i.e. scrap rate and labour efficiency) and turnover
Bae & Lawler	2000	Perceptions of organisational performance on dimensions public image and goodwill, growth rate of sales, product/service quality, long-run profitability, financial strength, employee productivity
Becker & Huselid	1998	Firms' market value
Berg	1999	Individual job satisfaction
Berg et al.	1996	Perceptions of work-team quality, production costs, worker satisfaction, commitment and stress
Boxall & Steeneveld	1999	Permanent staffing (proxy for business significance and strength), ratio of team-leading shareholders to total staff (proxy for profitability), ratio of foreign to total income (proxy for financial and organisational security)
Cappelli & Crocker-Hefter	1996	Implicit HR outcome variables only, no explicitly defined outcome variables. Rather vice versa: well performing firms are selected and HR systems compared.
D'Arcimoles	1997	Return on Capital Employed, Productivity
Dunlop & Weil	1997	Lead times, operating profits
Deery & Iverson	1999	Productivity, quality, absenteeism, customer attrition
Delaney & Huselid	1996	Perceptions of market performance (profitability, market share) and perceptions of organisational performance (quality, customer satisfaction, new product development)
Delery & Doty	1996	Return on assets (ROA) and return on equity (ROE)
Dooreward & Meihuizen	1999	Similar to Cappelli & Crocker-Hefter, but here clearly defined HRM outcome variables

		Qualitative definition of HRM outcomes:	
		Efficiency-oriented: - competence: accuracy, craftsmanship, expert knowledge, specialist - commitment: normative, docility, diligence	*Expertise-oriented:* - competence: creativity, analytical, emphatic, helicopter-view, generalist - commitment: affective, critical, free spirit, entrepreneurship

Author	Year	Outcome variables
Fey et al.	2000	HR outcomes: skills/knowledge, motivation, retention Firm performance (as perceived by managers)
Guest	1999	Employee perceptions of fair treatment, trust, fulfilled promises (by organisation to workers), job security, pressure, overall satisfaction, motivation, looking forward to work
Guest & Hoque	1994	Perceptions of HRM outcomes: commitment of lower grade staff, quality of staff employed, quality of work of lower grade staff, Quality of HR policies and practices, flexibility of staff, ability to move between jobs, numerical flexibility, line manager enthusiasm for HR policies

		Employee relations outcomes: industrial dispute, percentage of labour turnover, absenteeism cost Performance outcomes: percentage of quality targets attained, coping with recession, productivity and quality benchmarked against UK and world
Guest & Peccei	1994	Subjective measure: administrative, professional, HRM, overall effectiveness, index of effectiveness Objective measures: labour turnover, absenteeism
Hope Hailey	2001	Employee perceptions of climate and commitment
Hoque	1999	HR outcomes: commitment, job satisfaction, flexibility, staff quality, work quality of lower grades, ability to move between jobs according to work demands Organisational outcomes: labour productivity, service quality, financial performance (all as perceived by respondents in comparison to industry average)
Huang	2000	Perceptions of overall business performance, staff turnover rate, gain in market share, profit growth, return on investment (ROI), sales growth, return on sales, staff morale
Huselid et al.	1997	Employee productivity, Gross Rate of Return on Assets (GRATE), Tobin's q
Huselid	1995	Turnover, productivity (defined as sales per employee), corporate financial performance i.e. Tobin's q and Gross Rate Return on Assets (GRATE)
Huselid & Becker	1996	Tobin's q and Gross Rate Return on Assets (GRATE)
Hutchinson et al.	2000	Company data on labour turnover, call performance, customer satisfaction, employee attitudes and satisfaction
Ichniowski et al.	1997	Productivity (defined as line uptime), output quality (percent of products meeting specific quality standards)
Ichniowski & Shaw	1999	Productivity (defined as line uptime), output quality (percent of products meeting specific quality standards)
Jayaram et al.	1999	Perceptions of quality, cost, flexibility and time performance (relative to major competitors of respondents' firms)
Kalleberg & Moody	1994	Perceptions of quality, product innovation, ability to attract and retain essential employees, customer satisfaction, management-employee relations, relations between employees, marketing, growth in sales, profitability and market share
Katz et al.	1985	Economic performance: direct labour efficiency and product quality (Industrial relations performance: grievance, absenteeism, disciplinary action rates, salaried workers' attitudes and participation in suggestion programmes; see Table 2)
Kelley	1996	Productivity (production hours per unit of output)
Khatri	2000	Financial: Perceptions of percentage growth in sales over last 3 years, percentage profit margin over last 3 years (i.e. profitability) Non-financial: perceptions of public image & goodwill, quality of services, efficiency of operations
Koch & McGrath	1996	Labour productivity i.e. ratio of net sales to number of employees
Koys	2001	Customer satisfaction, profit, profit as percentage of sales
Lähteenmäki et al.	1998	Perceptions of financial and operational performance
Lau & May	1999	Sales growth, asset growth, return on assets (ROA), return on equity (ROE)
Lee & Miller	1999	Return on assets (ROA)
Lincoln & Kalleberg	1996	HR outcomes: commitment (identification and attachment) and annual quit rate
Liouville & Bayad	1998	Social performance: turnover, absenteeism, job satisfaction Organisational performance: productivity, quality, new product development

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		Economic performance: profitability, rate of growth of sales, clients and market share
MacDuffie	1995	Labour productivity (hrs of work required to build a car), quality (defects per 100 vehicles)
McNabb & Whitfield	1997	Perceived financial performance
Meyer & Smith	2000	Commitment (affective, normative, continuance)
Michie & Sheehan-Quinn	2001	Perceptions of financial performance and innovation (product and process related)
Patterson et al.	1998	Labour productivity relative to industry sector . Profits per employee (before tax)
Patterson et al.	2000	Labour productivity relative to industry sector [logarithm of financial value of net sales per employee] Profit per employee (before tax)
Patterson & West	2000	Labour productivity relative to industry sector [logarithm of financial value of net sales per employee] Profit per employee (before tax)
Ramsay et al.	2000	Employee attitudes: perception of managers' effectiveness, information about proposed changes, manager-employee relations, normative/affective commitment, job discretion control, job strain, extrinsic reward satisfaction and job security feelings Workplace performance: managers' perceptions of labour productivity, financial performance, product/service quality, absence rate, turnover rate, change in labour costs
Truss	2001	Employee perceptions of fairness and adequacy of HRM, return on assets, profit per employee
Tsui et al.	1997	HR outcomes: a) performance: core-task performance, organisational citizenship behaviour, intentions to stay, employee attendance b) attitudes: affective commitment, perceptions of fairness, trust in co-workers
Wang et al.	1999	Perceptions of rate of profit growth, rate of return, rate of sales growth, employee morale, market share, overall performance
Wright et al.	1995	Objective measure of team performance during focal season Coaches' perceptions of performance
Wood & de Menezes	1998	Perceptions of productivity level, productivity change, financial performance, and employee relations climate plus objective indicators of labour turnover, absenteeism and job creation
Youndt et al.	1996	Perceived operational performance: product quality, employee morale, on-time delivery, inventory management, employee productivity, equipment utilisation, production lead time, scrap minimisation

A 3: HRM measurement in the literature

Author and number	Year	Presence/ absence	Likert-scales for "intensity" or "extent" of application	Percentage of employees covered	Other
Appelbaum et al.	2000	X (managers' and workers' responses)	X (workers' responses)		
Arthur	1992		X	X	X (e.g. no. of times social gatherings organised; average total employment costs per production worker)
Arthur	1994		X	X	X
Bae & Lawler	2000		X		
Becker & Huselid	1998 b			X	X (e.g. percentage of jobs filled by internal promotion)
Berg	1999			X (generated from employee responses)	
Deery & Iverson	1999		X		
Delaney & Huselid	1996	X	X		X (e.g. no. of applications considered for vacancies)
Delery & Doty	1996		X		
Fey et al.	2000		X		
Guest & Hoque	1994	X			
Guest	1999	X			
Hoque	1999	X			
Huang	2000		X (variety of uses, e.g. breadth of career paths, time dimension)	.	
Huselid	1995			X	X (e.g. average no. of hrs. training)
Huselid et al.	1997		X (degree of satisfaction with application of practices)		

Huselid & Becker	1996			X	X (as in Huselid 1995)
Ichniowski et al.	1997	X			
Ichniowski & Shaw	1999	X			
Jayaram et al.	1999		X		
Kalleberg & Moody	1994	X			
Katz et al.	1985			X	
Kelley	1996	X			
Khatri	2000		X		
Koch & McGrath	1996	X			X (e.g. no. of recruiting sources per hire, no. of formal training programmes)
Lähteenmäki et al.	1998		X (diverse application: time dimension, coverage, strategic outlook of HRM)		
Lau & May	1999				X (several stages selection process to identify superior employers)
Lee & Miller	1999		X (investment in compensation, care for well-being etc.)		
Liouville & Bayad	1998		X		
MacDuffie	1995		X	X	
McNabb & Whitfield	1997	X			
Meyer & Smith	2000		X		
Michie & Sheehan-Quinn	2001	X (unclear)			
Patterson et al.	1998		(unclear)		
Patterson et al.	2000		X		
Ramsay et al.	2000	X		X	

44	Sanz-Valle et al.	1999		X		X (qualitative differences in training or performance appraisal)
46	Wang et al.	1999		(unclear)		
48	Wood & de Menezes	1998	X			
TOTAL			13	17	9	9

A 4: Summary of observations from the empirical literature

Observation 1: There is a predominance of Anglo-American, particularly US studies.

Observation 2: Many sectors are covered with emphasis on manufacturing.

Observation 3: The dominant mode of research is quantitative.

Observation 4: The dominant research tool is the questionnaire.

Observation 5: Response rates generally correspond to the norm.

Observation 6: Cross-sectional research unable to assess the question of causality dominates the research.

Observation 7: The majority of studies relies on managerial reports only, but a sizeable number also includes employees or employee representatives.

Observation 8: There is disagreement as to how to measure HRM sophistication

Observation 9: There is disagreement as to how to measure different HR design approaches.

Observation 10: The use of standard performance outcomes dominates the research. Idiosyncratic business goals are in general not addressed.

Observation 11: Intermediate and implied HRM effects are not investigated by quantitative studies.

Observation 12: Most studies address the link between HRM and performance directly.

Observation 13: Only a minority of studies focuses on the full assumed linkage of HRM, HR outcomes and organisational performance.

Observation 14: Business strategy classifications are moderately successful in empirically differentiating firms in terms of HR strategy.

Observation 15: The immediate business context not captured by business strategy theories can help explain HRM adoption.

Observation 16: External market conditions influence the HRM-performance relationship and the state of HRM itself.

Observation 17: In a variety of industries and different national context, the universalistic approach is generally well supported.

Observation 18: Support for internal fit notions are moderate.

Observation 19: There is mixed support for external fit based on traditional classifications predicting that less sophisticated HRM is beneficial for cost reducers and more sophisticated HRM for quality enhancers and innovators

Observation 20: There is good support for alternative fit propositions differentiating HRM use for strategy support qualitatively or seeing HRM as trigger for successful strategy implementation.

Observation 21: Sophisticated HRM is not superior in any setting. Interactions with organisation size and production technology used moderate the influence of HRM.

Observation 22: Capital intensity can moderate the influence of HRM on performance.

Observation 23: The integration of HRM in the wider organisational logic can have performance effects rather than HRM per se.

Observation 24: Different unionisation types can interact with work practices differently.

Observation 25: Support for configurational predictions is very limited

Observation 26: HRM can be universally relevant in a particular context.

Observation 27: HRM has generally a positive effect on HR outcomes.

Observation 28: Some evidence supports the view that HRM increases stress/strain

Observation 29: There is consistent evidence that positive HR outcomes are associated with higher organisational performance.

Observation 30: Prior productivity has effects on subsequent productivity.

Observation 31: The results from the few longitudinal studies imply a causal connection from HRM or HR outcomes to organisational performance.

Observation 32: Productivity mediates the relationship between HRM and profitability.

Observation 33: Evidence that attitudinal and behavioural HR outcomes mediate the HRM-organisational performance relationship is limited.

Observation 34: Human resource capabilities issues are largely neglected in quantitative studies.

Observation 35 There can be links between competition strategy and skill acquisition and human resource capabilities and performance.

Observation 36: A mere concentration on behavioural effects of HRM practices fails to address important additional effects that indirectly affect organisational performance.

Observation 37: A positive industrial relations climate can be beneficial to productivity.

Observation 38: HR and line managers assessments of HRM in certain areas differ as well as their assessment of their influence on HRM.

Observation 39: A coherent HR strategy owned by the board and accepted by line managers is important for subjective ratings of HR effectiveness.

Observation 40: Compared to other managerial practices, the relative impact of HRM is high.

Observation 41: A culture reinforcing welfare, training and autonomy is associated with better performance.

Observation 42: Integrated manufacturing is associated with the presence of skill enhancing and job enriching empowerment employment practices.

Observation 43: Offering open-ended inducements and a high level of social exchange to employees is more important than a balance in the exchange.

Observation 44: Restricting the analysis to a core job most crucial to organisational success suffices to find positive HR effects.

Observation 45: Job levels can explain HRM choices partly better than business strategies.

Observation 46: Positive HR outcomes may require different HR practices for different employee groups.

Observation 47: HRM decisions can contribute to firm survival during economic crises.

Observation 48: HRM decisions are interconnected with strategic business decisions.

Observation 49: Organisations' history influences resource capabilities.

Observation 50: Longer established organisations tend towards an internal development oriented HR system, newer organisations tend towards a market-type HR system.

Observation 51: Based on an ideal-type model, there is support for a contingency view in a qualitative study.

Observation 52: Evidence supports the need to assess the context and business-specific problems and goals.

Observation 53: Segmentation issues need to be considered. Different HR choices for managers and employees can help both employees displaying behaviours needed to solve particular business problems and develop the required competencies and the managers to assist employees taking on their broader role.
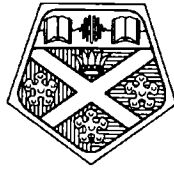
Observation 54: Effective HRM requires internally consistent policies and practices.

Observation 55: More sophisticated HRM is associated with both higher satisfaction and responsibility, but also work intensification.

Appendix B: Questionnaires used in the research

M. Erras

Interview Guidelines

ASSESSING HRM SOPHISTICATION IN GLASGOW HOTELS

Hotel:

Interviewee:

Position of Interviewee:

0. Information about the organisation

1. What is the ownership status of this hotel? Is it ...?
        a) an independent single-site organisation.
        b) a fully owned subsidiary of a large hotel chain.
          [If so, which organisation is the ultimate owner?]
        c) a privately owned, franchised operation.
          [If so, who is the owner?]
        d) none of the above. [Please explain].

2. Is this hotel .... ?
        a) UK owned/controlled
        b) Predominantly UK owned (i.e. 51% or more)
        c) UK and foreign owned
        d) Predominantly foreign owned (51% or more)
        e) Foreign owned/controlled

3. Did the ownership status change in the last 5 years? If so, how?

4. Since when does the hotel operate at this address?

5. Is there a controlling head office? If so, where?

6. How many employees worked at this establishment last year on average?

7. How many of these are full-time, part-time or temp. employees?

[Please indicate the approximate percentage.]

8. How has the average number of employees per year changed over the last 5 years?

[Please indicate the approximate number of employees in the previous years.]

9. How has the proportion of full-time, part-time and temporary/seasonal employees changed over the last 5 years?

[Please indicate the approximate proportion of the three groups for the previous years.]

10. In 2000, how many employees at this hotel were foreign?

[Estimated percentage or correct number]

[How has this number/percentage changed from 1996 to 2000?]

If percentage small and apparently insignificant → Go to question 12

11. Were these foreign employees predominantly pt/ft/temp.-seasonal?

[Ask for the typical length of contract and any other typical arrangements with employees from particular countries.]

12. How many employees in 2000 were of a non-white ethnic background?

[Estimated percentage or correct number]

[How has this number/percentage changed from 1996 to 2000?]

13. How many employees aged 20 or below were employed at this hotel in 2000?

[Estimated percentage or correct number]

[How has this number/percentage changed from 1996 to 2000?]

14. How many employees in 2000 were full-time students?

[Estimated percentage or correct number]

[How has this number/percentage changed from 1996 to 2000?]

15. How many employees are members of an independent staff association or trade union?

[Estimated percentage or correct number]

[How has this number/percentage changed from 1996 to 2000?]

16. How do you classify your staff?

17. I intend to use the following classification for my research purposes.

- managerial
- clerical/secretarial
- sales staff
- chefs/cooks
- waiting staff
- bar staff
- porters/security staff/catering assistants
- cleaners/housekeepers
- kitchen porters

What would you comment on that?

17. Which group(s) of the above do(es) in your opinion most crucially contribute to organisational success? Which one(s) the least? Why?

I. General questions regarding employment management

1. How many employees including yourself work in this HR department?

2. How many of them are full-time, part-time or temporary employees?

3. When was the HR dept. set up in its current form?

[If significant redesign over the last 5 years, ask for reasons]

4. When did *you* join this HR department?

5. What professional or academic qualifications relevant to HRM do you have?

6. Generally speaking, what relationship exists between your department and the corporate HQ?

[Has this changed over the last 5 years? If so, how and why?]

7. How would you describe the importance of HRM at your hotel over the last five years?

II. Recruitment and selection

1. How would you describe the importance attached to the area of recruitment and selection over the last five years?

2. Who has got the main influence on the area of recruitment and selection: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. How many staff were appointed approximately last year?

4. What were the main categories last year (using the above classification)?

[Please provide a rank order of the categories with respect to the frequency of recruitment and selection needs]

Rank order
- managerial
- clerical/secretarial
- chefs/cooks
- waitering staff
- bar staff
- porters/security staff/catering assistants
- cleaners/housekeepers
- kitchen porters

[Has this rank order changed in the last five years? If so, how?]

5. When having a vacancy, which sources for recruitment (i.e. identifying a pool of applicants) have been used for the different employee categories during the last five years?

[Please indicate for each group which sources you use and since when.]

[In case of any changes over the last 5 years, please elaborate.]

6. In the last five years, have you ever used <u>specific</u> qualities as selection criteria which were derived from systematic job analysis?

If no → Go to question 7.

If yes → For which employee groups have you selected for specific qualities derived from job analysis?

[Please indicate for each group whether or not you use specific selection criteria derived from job analysis and since when.]

[In case of any changes over the last 5 years, please elaborate.]

7. Have you ever used selection interviews for selection purposes over the last five years?

If no → Go to question 8.

If yes → For which employee groups have you used which type of interview?

[Please indicate for each group which type of interview was used: <u>unstructured interview</u>, <u>structured interview</u> (that uses pre-defined questions derived from job analysis, <u>behavioural interview</u> (which assesses competence based answers to specific pre-defined questions on specific past behaviours demonstrating that the candidate has behavioural competence in this area), and <u>situational interview</u> (which assesses competence based on answers to pre-defined questions on how the candidate would behave in a situation likely to occur in the job]

[Please also indicate since when these interview methods were used]

[In case of any changes over the last 5 years, please elaborate.]

8. Have you ever used psychometric tests for selection purposes in the last five years?

If no → Go to question 9.

If yes → For which employee groups have you used psychometric tests and which tests were used?

[Please indicate for each group the type of tests used: personality tests, specific aptitude tests, general ability tests, interest inventories]

[Please also indicate since when these tests were used]

[In case of any changes over the last 5 years, please elaborate.]

9. In the last five years, have you ever used other assessment procedures not yet mentioned?

If no → Go to question 10.

If yes → For which employee groups have you used other procedures and which ones?

[Please indicate for each group the type of other assessment methods used.]

[Please also indicate since when these methods were used.]

[In case of any changes over the last 5 years, please elaborate.]

10. Have you ever used problem-solving capacity as specific selection criterion over the last five years?

If no → Go to question 11.

If yes → For which employee groups have you used problem-solving capacity as selection criterion and since when?

[Please indicate for which groups this criterion was used.]

[How was that assessed?]

[Please also indicate since when this criterion was used.]

[In case of any changes over the last 5 years, please elaborate.]

11. Have you ever systematically evaluated the validity and quality of your recruitment and selection approaches (e.g. monitoring recruitment targets, predictive power of selection methods) during the last five years?

If no → Go to question 12.

If yes → [Please describe ...

- which evaluation methods you use]

- which employee groups are part of the monitoring programme]

- since when these methods are in place]

- whether or not other evaluation methods have been experimented with, but were abandoned again]

12. Have you ever used realistic job previews in the last five years (i.e. describing the job to applicants in a realistic way including possibly negative aspects or particularly demanding expectations)?

If no → Go to question 13.

If yes → For which employee groups did you use realistic job previews?

[Please indicate for which groups this practice was used.]

[Please also indicate since when this practice was used.]

[In case of any changes over the last 5 years, please elaborate.]

13. Has there ever been a formal induction programme for new hires in the last five years?

If no → Finish this section.

If yes → For which groups has there been a formal induction programme.

[Please indicate for which groups this practice was used.]

[Please also indicate since when this practice was used.]

[In case of any changes over the last 5 years, please elaborate.]

III. Terms and conditions of employment

1. How would you describe the importance attached to the area of terms and conditions of employment over the last five years?

2. Who has got the main influence on the area of terms and conditions of employment: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Is there a general policy about basic pay rates (e.g. in relation to the market rate, hourly rate etc.)?

If no → Go to question 2.

If yes →

[Please describe the policy about pay rates as it applied to the different groups.]

[Please indicate since when this policy is in operation.]

[In case of any changes over the last 5 years, please elaborate.]

4. Which forms of the following compensation practices have you used in the last five years? Individual performance-related pay, team oriented performance-related pay, profit-sharing schemes, employee share ownership programmes, skill-based pay components.

None of the above → Go to question 5.

One or more of the above → Please indicate which type of compensation for which employee groups has been used.

[Please indicate which group enjoyed which practice.]

[Please also indicate when these practices were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

5. Did any group within the last five years enjoy additional benefits or bonus payments?

If no → Go to question 6.

If yes → Which groups enjoyed additional benefits?

[Please indicate which type of benefits were used for which group.]

[Please also indicate when these benefits were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

6. Has there been an explicit policy of job security/avoidance of non-compulsory redundancies over the last five years for any group?

If no → Go to question 7.

If yes → Which groups?

[Please indicate which groups were given explicit job security guarantees.]

[Please indicate when this practice was introduced.]

[In case the practice was discontinued, please elaborate.]

[In the year 2000, was this promise actually held, that is, were actually no reductions of the workforce made (excluding natural wastage/redeployment).]

7. Has there been a policy of single-status reinforcing the idea of equality of different staff groups on a symbolic level in the last five years (e.g. common refectory or parking spaces)?

If no → Go to question 8.

If yes →

[Please indicate when this was introduced and how exactly this has been done.]

[Please also indicate whether this status is truly single, that is, applies actually to all staff groups.]

[In case of any changes over the last 5 years, please elaborate.]

8. In the last five years, has there been a policy of harmonised terms and conditions of employment (i.e. the same entitlements regarding employment contracts for all employee groups, for example regarding payment methods, holidays, hours of work etc.)?

If no → Go to question 9.

If yes →

[Please indicate when this was introduced and what exactly has been done.]

[Please also indicate whether the conditions are truly harmonised, that is, apply to actually all staff groups.]

[In case the practice was discontinued, please elaborate.]

9. Have there been monthly or annual working hours accounts to promote flexibility?

If no → Go to question 10.

If yes →

[Please indicate to which groups the monthly or annual hours apply.]

[Please also indicate when this was introduced.]

[In case of any changes over the last 5 years, please elaborate.]

10. Has there been a system of tip sharing for front-line staff in operation during the last five years?

If no → Finish this section.

If yes →

[Please indicate which front-line staff participate in a tip-sharing system.]

[Please also indicate when this was introduced.]

[In case of any changes over the last 5 years, please elaborate.]

IV. Performance appraisal

1. How would you describe the importance attached to the area of performance appraisal over the last five years?

2. Who has got the main influence on the area of performance appraisal: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. In the last five years, have you used formal *individual* appraisals with written feedback at least yearly?

If no → Go to question 6

If yes →

[Please indicate for which groups you used formal yearly appraisals.]

[Please also indicate when these appraisals were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

4. If appraisals were used for any group(s), what were their results used for, for non-financial purposes (e.g. performance feedback, target setting) or financial purposes (i.e. linking appraisals to pay)?

[Please indicate for which groups appraisals were used in which way i.e. for financial or non-financial purposes or both]

[Please also indicate when this practice was established for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

5. If appraisals were used for any group(s) in the last five years, were there explicit and objective criteria according to which employees were appraised?

[Please indicate for which groups there were objective and explicit criteria.]

[Please also indicate when this was introduced for the respective groups.]

[In case there were changes to the use of the practice, please elaborate.]

6. In the last five years, have you used formal *team- or group-based* appraisals with written feedback at least yearly?

If no → Finish this section

If yes →

[Please indicate for which groups you used formal yearly appraisals.]

[Please also indicate when these appraisals were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

7. Have those conducting appraisals been trained for this purpose?

[Please indicate whether or not all those conducting appraisals have received training.]

[Please indicate since when this is established practice.]

V. Training and development

1. How would you describe the importance attached to the area of training and development over the last five years?

2. Who has got the main influence on the area of training and development: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. In the last five years, has there been a policy of *on-the-job* or *off-the-job* training for new employees in their first year?

If no → Go to question 4

If yes →

[Please indicate for which groups there has been a formal policy of on- or off-the-job training for new employees.]

[How many days of training have been planned for the different groups?]

[Please also indicate when these types of training were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

4. In the last five years, has there been a policy of *on-the-job* or *off-the-job* training for employees who were employed for over one year?

If no → Go to question 5

If yes →

[Please indicate for which groups there has been a formal policy of on- or off-the-job training for new employees.]

[How many days of training have been planned for the different groups?]

[Please also indicate when these types of training were introduced for the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

5. On which areas has off-the-job training focused during the last five years: policies and procedures, technical job-related skills, non-technical (e.g. problem-solving) skills?

If no off-the-job training → Go to question 6

If off-the-job training →

[Please indicate for which groups there were which areas of focus of off-the-job training.]

[Please also indicate when the respective focus areas were established.]

[In case there were changes to the areas of focus for off-the-job training, please elaborate.]

6. Over the last five years, have training programmes aimed at multi-skilling/functional flexibility of parts of your workforce, that is, have they aimed at developing the ability to do more than one job?

If no → Go to question 7

If yes →

[Please indicate for which groups multi-skilling training programmes have been in operation.]

[How was multi-skilling trained?]

[Please indicate since when these training programmes were established.]

[In case of any changes over the last 5 years, please elaborate.]

7. Have training programmes been based on the results of a systematic training needs analysis over the last five years?

If no → go to question 8.

If yes →

[Please indicate for which groups systematic training needs analyses have been in use.]

[Please indicate since when these training needs analyses were established.]

[In case of any changes over the last 5 years, please elaborate.]

8. Has the success of training programmes been monitored/evaluated through systematic follow-up studies?

If no → Finish this section.

If yes →

[Please indicate which training programmes have been subjected to evaluation over the last five years and for which employee groups.]

[Please also indicate when these evaluation programmes were established.]

[In case of any changes over the last 5 years, please elaborate.]

VI. Work organisation

1. How would you describe the importance attached to the area of work organisation over the last five years?

2. Who has got the main influence on the area of work organisation: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Would you say that over the last five years, a high degree of task variety has characterised work at this hotel, that is a high number of tasks per job?

If no → Go to question 4

If yes →

[Please indicate which groups enjoyed a high degree of task variety in their jobs.]

[Please also indicate since when you think one could speak of a high degree of task variety for the respective groups.]

[In case there were changes regarding the degree of task variety, please elaborate.]

4. How would you describe the degree of discretion employees have been enjoying over the last five years in regard to *how* they do their jobs?

[Please indicate the degree of discretion for employees of the different groups.]

[Please also indicate since when employees enjoy the degree of task variety as described by you.]

[In case there were changes regarding the degree of discretion, please elaborate.]

5. Have any employees been assigned to teams (i.e. groups of people working together on certain interrelated tasks) over the last five years

If no → Go to question 8

If yes →

[Please indicate for which employee groups teamwork has been used in the last five years.]

[Please also indicate when this practice was established.]

[In case there were changes in the application of teamwork, please elaborate.]

6. Of those teams you mentioned, which ones appointed their own leaders in the last five years?

[Please indicate which of those groups you described appoint their own leader.]

[Please also indicate since when they have the opportunity to elect their own leader.]

[In case of any changes over the last 5 years, please elaborate.]

7. Has the work allocation in teams been largely democratic (as opposed to leader-determined)?

[Please indicate which of the groups use a generally democratic work allocation.]

[Please also indicate since when they have the opportunity to allocate work democratically.]

[In case of any changes over the last 5 years, please elaborate.]

8. In the last five years, have formal job analyses determined the extent and degree of work requirements for jobs?

If no → Go to question 9

If yes →

[Please indicate for which groups there have been formal job analyses determining the work requirements.]

[Please also indicate since when these formal job analyses have been applied to the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

9. Has job rotation been an explicit element of work organisation over the last five years?

If no → Go to question 10

If yes →

[Please indicate for which groups job rotation has been an explicit elements of work organisation.]

[Please also indicate since when these job rotation practices have been applied to the respective groups.]

[In case of any changes over the last 5 years, please elaborate.]

10. Have employees been encouraged to participate in permanent or specific problem-solving groups over the last five years?

If no → Finish this section.

If yes →

[Please indicate which groups of employees have been encouraged to participate in problem solving group and indicate the types (permanent or specific).]

[Please also indicate since when these employees have been encouraged for such participation.]

[In case of any changes over the last 5 years, please elaborate.]

VII. Employee relations and communication

1. How would you describe the importance attached to the area of employee relations and communication over the last five years?

2. Who has got the main influence on the area of area of employee relations and communication: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Over the last five years, have there been trade unions recognised at this hotel?

If no →

[What have the views of the hotel management/the corporate head office been regarding unions?]

→ Go to question 4

If yes →

[How many % of the employees have been members in 2000? Has this percentage changed significantly over the last five years?]

[Are there any employee groups which are comparatively strongly unionised?]

[What purposes are the unions recognised for? Please indicate which were the main issues unions were recognised for bargaining or consultation.]

[Has bargaining been conducted on the establishment or corporate level?]

[In case of any changes over the last 5 years, please elaborate.]

4. Has there been any negotiation or consultation with a *non-unionised* form of employee representation in the last five years?

If no → Go to question 5

If yes →

[Please indicate which *type* of employee representation there is.]

[Please also indicate what the main issues unions were recognised for bargaining or consultation were.]

[In case of any changes over the last 5 years, please elaborate.]

5. Has there been a consultative employee-management committee over the last five years? [Consultative communication]

If no → Go to question 6

If yes →

[Please indicate when this committee was set up.]

[Please indicate how often this committee meets.]

[Please also indicate which issues have been discussed in this committee and since when: health and safety, company financial issues, service quality, hard HRM issues (e.g. pay, terms and conditions, headcount), soft HRM issues (e.g. training, motivation, communication).]

[In case of any changes over the last 5 years, please elaborate.]

6. Have there been programmes of upward communication in the last five years such as formal grievance procedures, suggestion schemes, attitude or satisfaction surveys?

If no → Go to question 7

If yes →

[Please indicate which means of upward communication have been used in the last five years and for which employee groups: formal grievance procedures, suggestion schemes, attitude/satisfaction surveys.]

[When were these communication programmes established?]

[In case attitude or employee satisfaction surveys have been used: how regularly were they used and were results made available to all staff?]

[In case of any changes over the last 5 years, please elaborate.]

7. Have there been any programmes for downward communication in the last five years such as newsletters or employee briefings?

If no → Finish this section.

If yes →

[Which have been the means for downward communication and for which employee groups has this been applied?]

[Please also indicate when these programmes have been introduced.]

[What are the main issues for downward communication? The organisation's financial position, organisational problems, staffing plans and other issues?]

[In case of any changes over the last 5 years, please elaborate.]

VIII. HR planning

1. How would you describe the importance attached to the area of HR planning over the last five years?

2. Who has got the main influence on the area of area of HR planning: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Have there been formal career planning activities over the last five years?

If no → Go to question 4

If yes →

[Please indicate for which employee groups there have been career planning efforts.]

[Please also indicate since when these career planning programmes were established.]

[In case of any changes over the last 5 years, please elaborate.]

4. Have there been explicit promotion criteria (as opposed to arbitrary promotions)?

If no → Go to question 5

If yes →

[Please indicate for which employee groups there have been explicit promotion criteria.]

[Please also indicate since when these explicit promotion criteria were established.]

[In case of any changes over the last 5 years, please elaborate.]

5. Has there been a preference for internal candidates when filling vacancies over the last five years?

If no → Finish this section

If yes →

[Please indicate for which employee groups there has been a preference for internal candidates.]

[Please also indicate since when this preference was established.]

[In case of any changes over the last 5 years, please elaborate.]

IX. Investors in People

1. How would you describe the importance attached to achieving IIP status in the last five years?

2. Who has got the main influence on the area of IIP recognition: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Are you holding IIP?

If yes → [Since when?]

If no →

[Have you applied?]

[Have you applied and failed?]

4. Which merit do you see in the IIP qualification for your hotel?

X. EEO/diversity management

1. How would you describe the importance attached to the area of EEO/diversity management over the last five years?

2. Who has got the main influence on the area of area of EEO/diversity management: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Has there been a formal EEO policy over the last five years?

If no → Finish this section

If yes →

[Could you briefly describe this policy?]

[When was it set up?]

4. Have there been any policy targets for at least one type of discrimination?

If no → Go to question 5

If yes →

[For which type of discrimination are there policy targets?]

[Since when were they established?]

5. Have there been any measures of the effectiveness of your EEO policy?

If no → Finish this section.

If yes →

[Please indicate how the effectiveness has been monitored.]

[Please also indicate since when this monitoring was established.]

XI. Family- and employee-friendly policies

1. How would you describe the importance attached to the area of family- and employee-friendly policies over the last five years?

2. Who has got the main influence on the area of area of family- and employee-friendly policies: functional managers, your HR department or the corporate head office?

[Please describe briefly the different responsibilities and contributions.]

[Please also indicate since when this division of responsibilities was established.]

3. Has there been a bullying and harassment procedure over the last five years?

If no → Go to question 4

If yes →

[When was this policy established?]

[To which staff groups has it been applied?]

4. Have men been entitled to parental leave?

If no → Go to question 5

If yes →

[When was this policy established?]

[To which staff groups has it been applied?]

5. Has sickness been treated as a special form of paid leave?

If no → Go to question 6

If yes →

[When was this policy established?]

[To which staff groups has it been applied?]

6. Has assistance been given to employees whose dismissal could not be avoided?

If no → Go to question 7

If yes →

[When was this policy established?]

[To which staff groups has it been applied?]

7. Have there been any family-friendly practices helping employees to balance work and family responsibilities?

If no → Finish this section

If yes →

[What has been the nature of these family-friendly policies?]

[When was this policy established?]

[To which staff groups has it been applied?]

XII. Other HRM practices

Have you ever used other practices of people management in the last five years which characterised HRM at this hotel and which we have not yet discussed?

If no → Finish the interview

If yes →

[What other practices have you used which we have not yet discussed?]

[When were they in operation?]

[To which staff groups have they been applied?]

[Which other information do you think could be of interest to my research?]

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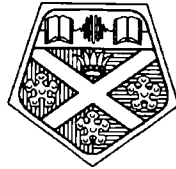
HRM Sophistication in Glasgow Hotels

Doctoral Research Project: HRM and Organisational Performance

Michael Erras

II. 4   Please provide a rank order of the employee categories listed below with respect to the frequency of recruitment and selection needs in 2000

Rank	Employee Group	[Rank in	1999	1998	1997	1996]
____	Managerial		____	____	____	____
____	Clerical/secretarial		____	____	____	____
____	Sales staff		____	____	____	____
____	Chefs/cooks		____	____	____	____
____	Waiting staff		____	____	____	____
____	Bar staff		____	____	____	____
____	Porters/security staff/ catering assistants		____	____	____	____
____	Cleaners/housekeepers		____	____	____	____
____	Kitchen porters		____	____	____	____

II.5 Sources of recruitment for the different employee groups

	Year Introduced	Year Abandoned	recruitment sources used
Managerial			
Clerical/secretarial			
Sales staff			
Chefs/cooks			
Waiting staff			
Bar staff			
Porters/security staff/ catering assistant			
Cleaners/ Housekeepers			
Kitchen porters			

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II. 6 Specific selection criteria derived from systematic job analysis

	Year Introduced	Year Abandoned	Other information on specific selection criteria
Managerial			
Clerical/secretarial			
Sales staff			
Chefs/cooks			
Waiting staff			
Bar staff			
Porters/security staff/ catering assistant			
Cleaners/ Housekeepers			
Kitchen porters			

II.7 Selection interviews

	Year Introduced	Year Abandoned	unstructured	structured	behavioural	situational
Managerial						
Clerical/secretarial						
Sales staff						
Chefs/cooks						
Waiting staff						
Bar staff						
Porters/security staff/ catering assistant						
Cleaners/ Housekeepers						
Kitchen porters						

Unstructured interview: arbitrary questions loosely based on job
Structured interview: based on questions derived from systematic job analysis
Behavioural interview: preceding systematic job analysis has determined the behavioural dimensions of a job; based on these behavioural dimensions pre-defined questions are asked to assess the candidate's competence in these behaviours as demonstrated in his/her previous job-related behaviours
Situational interview: similar to behavioural, but instead of past behaviours competence is assessed on hypothetical questions on how the candidate would behave in situations likely to encounter in a job (as determined by a preceding job analysis)

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II.8 Use of psychometric tests

	Year Introduced	Year Abandoned	type of psychometric tests used (see below)
Managerial			
Clerical/secretarial			
Sales staff			
Chefs/cooks			
Waiting staff			
Bar staff			
Porters/security staff/ catering assistant			
Cleaners/ Housekeepers			
Kitchen porters			

Personality tests: Professionally developed and scored measures of personality dimensions providing a candidate profile (such as 16PF, Myers-Briggs, NEO-PI-R, OPQ)
General ability tests: Professionally developed and scored test measuring verbal, numerical or reasoning ability; gives measures of general intelligence relative to a specific population of candidates
Specific aptitude tests: Professionally developed tests measuring various aptitudes or skills such as dexterity, typing/clerical skills, numeracy, mechanical ability etc.
Interest inventories: Professionally developed tests focussing on general hobbies and both work and life interests of the candidate, resulting in a candidate profile

II. 9   Use of other assessment procedures not yet discussed

	Year Introduced	Year Abandoned	Other information
Managerial			
Clerical/secretarial			
Sales staff			
Chefs/cooks			
Waiting staff			
Bar staff			
Porters/security staff/ catering assistant			
Cleaners/ Housekeepers			
Kitchen porters			

Further response structures omitted due to high similarity. All include the HR practice, the year introduced or abandoned, space for further information and the staff categories.

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Questions for Interviews with General Managers/MDs

Please indicate the percentage of revenue that was generated by the respective operations over the last five years.

2000				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

1999				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

1998				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

1997				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

1996				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

In case there was a change in the importance, ask

Why has there been a change in importance?

2. Competition and markets
2.1 Product Market

Given the categories ranging from very low to very high, how would you describe the degree of competition in the respective years?

Very low: Sales are not limited by degree of competition, you enjoy a monopoly or quasi-monopoly, exceptionally high turnover

Very high: Very strong competition, many market participants, very low profit and pressure on cost-management

2000					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

1999					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

1998					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

1997					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

1996					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

In case there was a significant change in competition, ask

Why has the degree of competition changed so strongly in ...?

2.2 Labour Market

How strong was the competition for labour in the respective categories during the Last years, starting with 2000?

Very low: No difficulties recruiting suitable staff; vacancies can be filled rapidly

Very high: Strong difficulties recruiting suitable staff; vacancies remain open for too long with strong negative operational implications such as many hours overtime required or poor service quality due to understaffing

2000					
	Very low	Low	Moderate	High	Very high
Managerial					
Clerical/secretarial					
Sales staff					
Chefs/cooks					
Waiting staff					
Bar staff					
Porters/security staff/ catering assistants					
Cleaners/housekeepers					
Kitchen porters					

Same tables for 1999, 1998, 1997, 1996

2.3 Factors limiting sales

Please indicate the *main three factors* that limited sales in the respective years choosing of the following and adding additional ones if required:

- Lack of tourist demand
- Weather
- Price competition
- Influence of tour operators
- Insufficient space
- Poor business trade
- Labour shortages
- High exchange rate
- Other (please specify)

2000
1.
2.
3.

Same tables for 1999, 1998, 1997, 1996

3. Strategy and HRM

3.1 What have been the major business targets from 1996 to 2000 that were set to improve organisational performance – have they been ?

2000:

1999:

1998:

1997:

1996:

3.2 Which HRM choices were made explicitly to support these goals?

3.3 Have certain HRM practices positively or negatively influenced the achievement of these goals - whether they were designed for this purpose or not?

4. Performance

How well have you these and other targets for your hotel from 1996 to 2000?

[After entering data for the four given criteria, ask: ...]

Which other main business targets including anything from improving management staff relations to penetrating different markets did you have in the year ... How well did you achieve these?

	2000				
	Significantly worse than expected	Worse than expected	Target achieved	Better than expected	Significantly better than expected
Financial performance					
Labour productivity					
Service quality					
Occupancy rate					
Room rate discounting					
Yield					
Other targets – please specify:					

Same table for 1999, 1998, 1997, 1996

Additional questions that might be asked, if there is sufficient time available:

Over the last five years, what were the main markets?

a) In terms of region

- local (Glasgow)
- regional (Rest of Scotland)
- national (UK)
- overseas

b) In terms of customer type
- business customer
        - business traveller
        - functions
- recreational customer
        - individual traveller
        - tours

How has this changed over the last five years?

	Business		Recreational	
	Bus. traveller	Functions	Individual	Tours
Local				
Regional				
National				
Overseas				
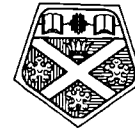
1. Please indicate the percentage of revenue generated by the respective operations
　　over the last five years.

Data for 2000, 1999, 1998, 1997, 1996				
	0-25%	26-50%	51-75%	76-100%
Food & beverage				
Accommodation				
Other				

2. Competition and Markets
2.1 Product Market

Given the categories ranging from very low to very high, how would you describe the degree of competition in the respective years?

Very low:　　Sales are not limited by degree of competition, you enjoy a monopoly or quasi-monopoly, exceptionally high turnover

Very high:　　Very strong competition, many market participants, very low profit and pressure on cost-management

Data for 2000, 1999, 1998, 1997, and 1996					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

2.2 Labour Market

How strong was the competition for labour in the respective categories during the Last years, starting with 2000?

Very low: No difficulties recruiting suitable staff; vacancies can be filled rapidly
Very high: Strong difficulties recruiting suitable staff; vacancies remain open for
too

            long with strong negative operational implications such as many hours
            overtime required or poor service quality due to understaffing

Data for 2000, 1999, 1998, 1997, and 1996					
	Very low	Low	Moderate	High	Very high
Managerial					
Clerical/secretarial					
Sales staff					
Chefs/cooks					
Waiting staff					
Bar staff					
Porters/security staff/ catering assistants					
Cleaners/housekeepers					
Kitchen porters					

2.3 Factors limiting sales

Please indicate the *main three factors* that limited sales in the respective years choosing of the following and adding additional ones if required:

- Lack of tourist demand
- Weather
- Price competition
- Influence of tour operators
- Insufficient space
- Poor business trade
- Labour shortages
- High exchange rate
- Other (please specify)

Data for 2000, 1999, 1998, 1997, and 1996
1.
2.
3.

3. Strategy and HRM

3.1 What have been the major business targets from 1996 to 2000 that were set to improve organisational performance – have they been achieved?

3.2 Which HRM choices were made explicitly to support these goals?

3.3 Have certain HRM practices positively or negatively influenced the achievement of these goals - whether they were designed for this purpose or not?

4. Performance

Data for 2000, 1999, 1998, 1997, and 1996					
	Significantly worse than expected	Worse than expected	Target achieved	Better than expected	Significantly better than expected
Financial performance					
Labour productivity					
Service quality					
Occupancy rate					
Room rate discounting					
Yield					
Other targets – please specify:					

How well have you achieved these and other targets for your hotel from 1996 to 2000?

Which other main business targets including anything from improving management staff relations to penetrating different markets did you have in the year ... How well did you achieve these?

B 3: Questionnaire used in interviews with line managers
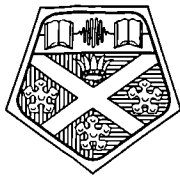
UNIVERSITY OF STRATHCLYDE

Line Manager Interviews
DBA project Michael Erras
Last revised 24 July 2001
Department of HRM

Section I. General

1. When did you join this hotel?
2. Since when do you hold this position?
3. What other positions did you hold before in this hotel?

Section II. Objectives and role of staff

1. In the years from 1996 to 2000, what were the **major objectives** (set by you or set for you) and what were **major problems** you were facing in the department (or departments) you were working in?

→ prompt: one-off/particular or ongoing problems?

2. To what extent did the achievement of these goals/solution of problems depend on **staff input as opposed to other factors** such as change in physical environment, software updates, etc.? Please

→ indicate an *approximate percentage* accounting for the relative importance of staff input and
→ *elaborate* referring to the individual goals mentioned.

3. To what extent did the staff available at the times **contribute to goal achievement/problem solution**? Please

→ *indicate* on a scale from 1 to 5 (1: did not contribute at all – 5: contributed very strongly and with dedication) and
→ *elaborate* referring to the individual goals/problems mentioned.

4. In what way did employees contribute to goal achievement/problem solution – did they utilise the relevant skills, display the attitudes and behaviours required?

→ Please *elaborate* referring to the individual goals and *explain* how staff contributed.

5. Did you have sufficient staff numbers to achieve these goals or to solve the problems mentioned? If not, why not?

Section III. Role of employment policies

Areas of employment policies	Elements of employment policies
Recruitment and selection	Sources of recruitment, selection interviews (unstructured, structured, behavioural, situational), psychometric testing, problem-solving capacity as selection criterion, systematic evaluation of validity of recruitment and selection approaches, realistic job previews, formal induction programme
Terms and conditions	Policy about basic pay rates (e.g. in relation to market rate), performance-related pay (individual or team-based), profit-sharing schemes, share ownership programmes, skill-based pay, bonus payments, job security, single status, harmonised terms and conditions, monthly/annual hours, tip-sharing systems
Performance appraisal	Formal individual appraisals at least annually, use of explicit and objective criteria for appraisal, group-based appraisals, training for appraisers for conducting appraisals
Training and development	Policy of on- or off-the-job training for new employees and those employed over one year, areas of main focus for training, training for multi-skilling and functional flexibility, training programmes based on systematic training needs analysis, success of training monitored through systematic follow-up studies
Work organisation	Degree of task variety, degree of discretion, team-work, formal job analyses determining extent and degree of work requirements for jobs, job rotation, permanent/specific problem-solving groups
Employee relations and communication	Recognition of trade unions, negotiation/consultation with non-unionised form of employee representation, consultative committee, upward communication through grievance procedures, suggestion schemes, attitude surveys, downward communication through newsletters, employee briefings
HR planning	Formal career planning activities, explicit promotion criteria, internal promotion preference
IIP	Achievement of IIP status
Other	Any other HR practices not covered by other sections

6a. To what degree did **employment policies** contribute to the availability of staff with the relevant qualities? Please

→ *indicate* on a scale from 1 to 5 (1: did not contribute at all – 5: contributed very strongly) the degree to which employment policies contributed to the availability of staff with the relevant qualities

→ could you give *examples* where staff with the **relevant qualities was available because of adequate employment policies**? If so, what were they?

→ could you give *examples* where staff with the **relevant qualities was not available because of inadequate or non-existent employment policies?** If so, what were they or should have been?

6b. To what degree did **employment policies** (e.g. recruitment procedures, performance appraisal, specific interviewing techniques, training provision etc.) contribute to the availability of staff in the adequate quantities i.e. the right numbers? Please

→ *indicate* on a scale from 1 to 5 (1: did not contribute at all – 5: contributed very strongly) the degree to which employment policies contributed to the availability of the adequate number of staff

→ could you give *examples* where there were the **right number of staff available** due to adequate employment policies? If so, what were they?

→ could you give *examples* where there was a **lack of staff or too many staff available** due to inadequate or non-existent employment policies? If so, what were they or should have been?

Section IV. The role of the HR function

7. How useful was the **contribution of the HR function** (in-house, regional, corporate) in regard to delivering employment management practices from 1996 to 2000/now? Please

→ *indicate* on a scale from 1 to 5 (1: no useful support at all – 5: strong and useful support from the HR function), categorising your answer by year (1996 to 2000) or specific instances relevant to your department or the establishment

→ could you give *examples* for your choices from above
[if no support: would further HR support have benefited you? Why so?]

→ could you give *examples* referring to how this support helped you achieving departmental goals or solving particular problems
[e.g. high staff turnover, skill shortages]

8. Did you **perceive a major change** in the organisation of the HRM in your organisation? How did this affect your department?

Appendix C: Nodes used for document analysis with QSR NVivo

First nodes initially derived from the interview questions are summarised below:

- Staff input relative importance for goal achievement (categories: high, medium, low)
- major line manager objectives
- major line manager problems
- staff contribution extent to goal achievement (categories: high, medium, low)
- adequacy of staff numbers for goal achievement
- HR policies importance for availability of good staff (same node for adequate number of staff)
  - terms and conditions
  - performance appraisal
  - training and development
  - work organisation
  - ER and communication
  - HR planning
  - Recruitment and selection
  - Other
  - Examples
- HR function contribution
  - HR function for delivering HR policies
  - HR function for goal achievement
- revenue stream changes
- market competition changes
- organisation of HRM changes
- main markets
  - main regional markets
  - main customer types
- LM departmental performance
- labour market competition
- sales limiting factors
- major GM business targets
- HRM supporting GM business targets
- HRM influence on goal achievement
  - positive influence
  - negative influence
- organisational performance
- HR areas importance (same HR areas as above)
- way of staff contribution to goal achievement
  - skills
  - attitudes
  - behaviour
  - other
- main actors in the HR areas (same HR areas as above)

A first coding attempt with these nodes indicated that they were too specific and based on the expectation that the respondents would answer the structured questions precisely. This was not the case. Instead, respondents chose to elaborate on the themes and key issues of particular questions, not necessarily following the causal path implied in the questions.

Hence, rather than incorporating particular directions in the nodes, the nodes were reviewed with the objective to incorporate the key issues and elements of the interview questions and hypotheses. E.g. rather than coding "HR policies for availability of the right no. of staff", "HR policy issues" were coded, allowing to capture a range of issues relating to different HR policy areas. This approach has the additional advantage that no direction is implied during the analysis, i.e. the hypotheses are investigated in a more unbiased way, allowing for the possibility for counter-intuitive results to surface. Building on these down-nodes some up-nodes are developed either as new nodes (e.g. hotel industry employment coding issues referring to the employment conditions specific to the hotel industry) or as child-nodes (e.g. HR function role – clerical, resource and substantial HR delivery). Below an initial revised version:

- major HRM changes
- major LM objectives/ problems
- staff turnover
- staff quantity
- staff quality
- HR policies issues (different HR areas as above)
- HR function role
- revenue stream changes
- market competition changes
- main markets
- LM departmental performance
- labour market competition
- sales limiting factors
- major GM business targets
- HRM supporting GM business targets
- HRM influence on goal achievement
- organisational performance
- HR areas importance
- staff impact
- main actors in HR areas
- staff treatment
- management competence
- flexibility
    - functional flexibility
    - numerical flexibility
- management cooperation
- management role
- hotel industry employment
- organisational changes

Emerging nodes were management role, management cooperation (i.e. cooperation between managers), and hotel industry employment (referring to characteristics of employment issues in specific to the hotel industry).

The final version is printed below, based on a third coding of the documents:

- major HRM changes
- major LM objectives/ problems
- staff turnover
- staff quality
- staff quantity
- HR policies issues (HR areas as above)
- HR function role (categories: administrative, substantial HR delivery, resource provider)
- revenue stream changes
- market competition changes
- main markets
- LM departmental performance
- labour market issues
- sales limiting factors
- major GM business targets
- HRM supporting GM business targets
- HRM influence on goal achievement
- organisational performance
- HR areas importance (HR areas as above)
- staff impact
- main actors in HR areas (HR areas as above)

The following nodes emerged in the coding process:

- management competence
- flexibility
- management cooperation
- management role
- staff treatment
- clarification of objectives
- departmental information
- hotel industry employment
- non-financial rewards
- organisational changes
- physical work layout
- work atmosphere
- work intensification

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Appendix D: Results

D 1:   HRM data
D 1.1: HRM data for Blue

General information on employment management	
How many employees in HR dept.	Employment status of HR employees
2	Both FT
When HR dept. set up in current form	Joining date HR manager
1989	Just left, had been with hotel for 15 months Last five years 2 HR managers
Professional or academic qualifications of HR mgr.	Relationship between HR dept. and corporate HQ
"I'm recruiting for attitude, not qualifications. Qualifications are nice, but they don't necessarily make the best HR managers."	- "Almost all policies are set centrally." - Comprehensive HR manual available "which will practically tell you what to do in any instance. Recruitment policies are set centrally, training initiatives are set centrally, yeah, I mean, working time directive or the legislation, I mean it's almost spoon-fed to us." - Can afford recruiting for attitude as there is "such a strong administrative backup for this role." - Speak to regional HR manager for dismissal issues - Training administered centrally - Pre- and post-course evaluations set centrally - "So, I mean it is a case of following the procedure an awful lot of time." Previously: some regional HR people "but it wasn't set quite as rigidly"; now: regional HR, recruitment and retention, and training managers with the recruitment and training reporting to regional HR manger – established since 1999

Importance of HRM in hotel over last 5 years

"Critical. Absolutely critical, there is no question about it. Finding good staff becomes harder and harder. We are in a period of low unemployment and we are still not a preferred industry, we still don't have the status that we need to have to attract the best people into our industry."

"We get a very raw product and we have to train and develop these people, so that becomes important. We take people into our industry who really have no idea how to behave with the general public. So you know, things that 20 years ago went into the industry and just knew, the same person who comes into the industry now doesn't know. And you have to go right back to basics. So, recruiting the right people is critical, identifying the right raw products that we can train and develop is critical, so that's very important, keeping and developing staff in light of the competition, again, absolutely critical."

"You know, they are parts of the product that we sell, it's as simple as that. We rely on people, we are about people delivering the service and the standards we want to and all of that starts with HR, there is no question about that, it all starts there."

Recruitment and selection		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	• "massive competition " in particular for team members from retail and call centres offering better pay and hours • always recruitment due to turnover • permanent staff shortages	"It's much tougher than it ever was, because there is much more competition." "We never have enough staff." "Regardless of business level, nobody ever has enough staffing." "We're always recruiting, even in downtimes."
Main actors	• applicant screened by HR • LM makes decision; • higher roles: deputy GM does screening GM selection	
No. recruits 2000	60	
Main categories	• Kitchen, house-keeping, waiting staff • have always been problem areas	
Sources of recruitment	• managerial: quality broadsheet/ recruitment agency • clerical/ sec: newspaper • chefs higher grades: recruitment agencies • chefs lower grades: job centre • all others: job centre, newspaper ads	Now sometimes recruitment agency even for lower grade chefs due to labour market shortage of chefs
Specific selection criteria from job analysis	• job specs • roles with GM involved: type of person must fit trading situation	Example: previous chef needed to be excellent chef with culinary skills; since Sep 2000: new chef with less culinary skill, but good cost control and kitchen management skills and delegation
Interviews	• non-managerial: unstructured, loosely based around CV, past experience, past successes and trying "to get a feel for the individuals themselves" • managers: behavioural	
Psychometric tests	• managerial: rapid personality questionnaire scored by Surrey Univ. assessing personality traits • since 1998 • info from LM1: simple computerised personality test for all staff from end-2001	
Other assessment procedures	Since 1997-8: presentations for internal candidates to assess their seriousness for application	
Problem-solving as selection criteria	Not specifically, but when part of managerial role	

Systematic evaluation of selection	• send managers who recruit bad staff on two-day selection technique course • "We have done that quite often." • post-analysis form on candidate's behaviour to be filled in by managers • previously: HR more involved, but now each section is profit centre, thus selection of staff must be responsibility of managers (1997-8) • particular monitoring for roles involving much training and potential financial loss in the event of turnover; discussion with recruiting managers about why people recruited if they leave soon after • turnover statistics as indicators for recruitment quality	• "Each manager does their own interviewing, so it is quite difficult to say what ... you know, occasionally we get concerned if we see people in the hotel that so obviously do not fit the hotel profile and at that point those managers will be sent for interviewing techniques training." • "Where I will get very very concerned is when we recruit people into roles that take a huge amount of training ... If that person then leaves within the year, I really do have a major concern about that and I feel we've not asked the right questions to gain the right commitment." • We will I mean, probably our labour turnover statistics tell us an awful lot and tell us if we are recruiting the right people.
Realistic job previews	• important to tell truth • if person hears also negative sides and still wants the job, "you've got the right person, there is no hidden agenda, they've got the facts." • otherwise: unhappiness and feeling of being misled	• "You have to. There is absolutely no point in painting a picture that is not true." • particularly since 1999 "we have been far more open and honest and frank about the situation we're in."
Formal induction programme	• always been in place, but • at times not as well monitored as should be • everyone in hotel has been through induction programme • for staff: hotel and dept induction • for supervisors and managers also company induction	

Terms and conditions of employment		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	• changed a lot • major impact of working time directive • breaks • all previous part-timers now contracted with rights to statutory holidays, sick pay etc. • major changes largely driven by legal changes	
Main actors	• head office • role of IT/ software with regular audits ensuring adherence to working time directive	"It's really head office that drives that hard."
General policy about basic pay rates	• depends on region of hotel • change in min wage from 3.70 to 4.10 in October with have effect • no rigid policy	"We're flexible, because each situation will dictate what the rate of pay will be. You know, there are some areas where we probably pay more to get the best." • when min wage introduced, even 16-21 year olds got 3.70 despite possibility to pay them reduced rate • led to reduction in staff average age
Type of compensation practices	• managerial staff: performance related pay, profit-related pay, sales bonuses • chefs & cooks: gross profit based i.e. food margins, utilisation of budgets • housekeeping: team bonus based on monthly audits of departments • every manager has bonus scheme either related to sales or to achievement of objectives • F&B: short-term tactical bonuses on upselling • key managers always part, but more prevalent over last 3-4 years	
Additional benefits and bonuses	• 50% off F&B in other Blue properties • healthcare and pension for senior people by invitation only	
Explicit policy of job security	No	"We would make any position redundant, if we had to. There is no position protected from that."
Single status reinforcing idea of equality	• same restaurant for all • no designated parking	"Very very democratic, it really is, you have to be. You cannot have a culture of us and them any more." As was the case 20 years ago
Harmonised terms and conditions	• yes over last 5 years • only person with different contract is GM	
Monthly or annualised hours to promote flexibility	• move towards that • some people on monthly contracts, but: care required regarding working time directive	"Yes we do try and move towards that because it gives us greater flexibility. Employees don't like it, but employers do."

System of tip sharing	No formalised policy – discretion of dept managers • cash up to managers • credit card tips handled by accounts to each dept • general tips to hotel shared across payroll • in place for 5+ years	.

Performance appraisal		
Sub-elements	Key points	Quotes/ other information
Importance	• very important • very strict – everyone has appraisals • closely monitored by personnel • in place for 5 years	• managers yearly • others semi-annually • succession planning in conjunction with appraisal
Main actors	• GM for managers – will look at managers appraised by other senior managers • GM appraises four key personnel	
Individual appraisals with written feedback	• employees sign and can enact a grievance procedure if not happy • entitled to copy	
Use of appraisals (financial/ non-financial)	• aim to improve performance • finding out from employee about their objectives and training needs • opportunity to give their views in two-way process • not linked to pay • always in place	
Explicit and objective criteria	Yes – set criteria against which employee is appraised	
Team-based appraisals	No	
Training for appraisers	• appraisal training for all appraisers obligatory since 1998-9	
Other information	• senior team managed through objective-setting process • GM and managers agree key result areas and HODs set targets and agrees measurements with GM • review four times a year – outside normal appraisal – only focused on actions for agreed criteria and measurements	

Training and development		
Sub-elements	Key points	Quotes/ other information
Importance	• very important • helps attracting staff • best training in Glasgow • 50% of HODs promoted from within – "great track record to be able to share with prospective candidate"	"Very, very important. It helps you attract staff. We might not be the best payers in the city, however, I really do feel that we would give the best training and development in this hotel that they could get anywhere in Glasgow. And I think as company we are probably streets ahead of our competitors there. Absolutely critical. And an awful lot of people do join us specifically for this reason"
Main actors	• people nominated for training by HODs • reviewed by GM, operations and HR manager in respect of usefulness for expected business • approved and built into budget by head office	• like this since 1998 • "Before that training wasn't administered particularly well."
Policy of on- or off-job training for new employees in first year	• mixture of both • team members intensive on-job primarily, but typically 6-10 days off-job as well • supervisors and managers off-job primarily • since 5 years	• after 3 months: very skill-based review for all employees • should know job after 3 months, if not: problem • "Some of these jobs are not rocket science."
Policy of on- or off-job training for employees after first year	• primarily off-job for all groups • skills like upselling taught in classroom environment	
Focus of off-job training	• technical skills for all groups	
Objective multi-skilling for more jobs	• has been attempted and is seen as desirable • GM "keen on it" • due to dislike of staff, responsibility of individual units	"Employees don't always like it unfortunately, they really don't. They don't necessarily like to go to other departments."

Training based on systematic training needs analysis	• training provided influenced by information from
	  - HOD training needs identification
	  - Appraisal
	  - Day-to-day business
	  - Mystery guest audits
		• major factor: appraisals

Systematic evaluation of training programmes	• since 1999 post-course evaluation, previously no evaluation • employees and their managers fill in post-course evaluation form to be part of personnel record • weak area, not exact assessment of benefit	"And as part of IIP it is probably our weakest area I would have to say. Is that post-training evaluation and looking at its contribution to the business, I put my hands up and say it's probably the weakest area of that whole link in that we always assume that training is beneficial anyway, but, you know, we don't always go and try to quantify exactly what it has delivered to us."

Work Organisation		
Sub-elements	Key points	Quotes/ other information
Importance	• experimented somewhat with teamwork	• traditionally in housekeeping: maids responsible for section of rooms • considered moving to squad system with 60 rooms to 4 people sharing tasks • but: maids like sense of ownership of own section "We felt that there were too many negatives that went with it and it was very poorly received by the housekeepers across the company."
Main actors	• property GM is responsible	
Degree of task variety	• depending on level • team member: "probably not" • supervisory level and above: yes due to nature of business	
Degree of discretion	• "tremendous number of brand standards in place now" • almost every aspect of business adherence to brand is audited • fixed results, discretion on method	• "How the maid cleans up the room is up to her, but the end result isn't." • receptionist has to ask whether wake-up call is required, then she can talk 20 min to customer
Use of teams		
Formal job analyses determining work requirements	• job specification for each role since 1997-1998	
Job rotation explicit element of work organisation	• "Not as much as we'd like, no." • use of staff for housekeeping and cleaning when business level low	"People like ownership ... so we've not found that particularly successful."
Employees encouraged to participate in problem-solving groups	• yes • example given for managers cooperating for customer service programme	

Employee Relations and Communication		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	• "Again, absolutely critical." • 2001 start of attitude survey as part of GM's assessment in conjunction with 360° feedback and balanced scorecard • always communicated well (positive for IIP) • attitude survey and its impact on GM performance evaluation new,	
Main actors	• GM	
Trade union recognition	• not in hotel nor group	
Negotiation or consultation with non-unionised form of employee representation	• no	
Consultative employee-management committee	• previously: run by HR dept.; "nothing really constructive was coming out of it" – was "let's be negative about it ... a staff food committee" • now: elevate importance now with paid members • keep old committee as social committee and the new one for important issues	"I didn't feel it was adequate and we are now going to turn that to a full consultative committee with paid members." • purpose of consultative committee: discuss staff welfare, business, trading, health and safety "anything that makes it better for them, it's really their forum ... It's for them to challenge me with issues that are important to the staff."
Programmes of upward communication	• 4 general staff meetings have always been held • suggestion schemes as part of service improvement group introduced in 1999 • well-documented grievance procedure as before	• good ideas coming out of it
Programmes for downward communication	• 4 general staff meetings • staff magazine	

HR planning		
Sub-elements	**Key points**	**Quotes/ other information**

Importance	• team of GM, deputy and HR manager do succession planning for key roles
	• plans to fit "with the hotel's key result areas"
	• 2001 particularly important
	   - absence management
	   - labour turnover
	• target setting and league tables for both areas
		"Setting targets for both, producing league tables for sickness and absence which we've never previously done it. It's one of the biggest costs to our business. Setting league tables for labour turnover which again we've never previously done to try and influence to explain this is a major cost to the business that we operate."

Main actors	• team of GM, deputy and HR manager	
Formal career planning activities	• succession planning introduced 1998	
Explicit promotion criteria	• combination of explicit and arbitrary criteria	
Preference for internal candidates when filling vacancies	• yes • 50% of HODs promoted internally • look in hotel first, then group, then external • more emphasis on internal promotion since 1998	"I think we see it as something that attracts people into our industry, so I'd say there is more of an emphasis on it now than there ever was to say we'll promote internally wherever we can." "At least 50% of my heads of departments have been promoted from within, you know which is a great track record to be able to share with a prospective candidate. It is critical and we are very good at it."

Investors in People		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	• "I don't think we see it as a business benefit any more." • "The excitement of getting IIP now is gone, so many people now have IIP." • "However, we see it as a clear benefit of making sure that we are focusing on the important aspects of the business which is people, the training of our people." • "It's self-regulation." – "It's almost an internal audit." • initially employees sought employers with IIP status	• awarded IIP three times • first hotel in Scotland to receive IIP 1992
Main actors		
Holding IIP		
Main benefit of IIP	See importance	

Equal Employment Opportunities/ Diversity Management		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	"What can I say, I mean, it's important, but I live in Glasgow on the west coast of Scotland. It's not relevant to this business, you know."	• "You know, we would employ anybody that could do a good job for us, regardless of who or what they are, and we genuinely mean that." • due to area more Scottish people
Main actors		
Formal EEO policy	• Yes, group-wide • no discrimination against race, religion, age, disabilities etc. • has been established for 5 years	
Policy targets for at least one type of discrimination	n.a.	Head office told GM to recruit more disabled people, but: not many apply
Measures in effectiveness of EEO policy	n.a.	

Family- and Employee-friendly Policies		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	"Very critical and it's becoming more so."	"We are almost at a point now where we will say to an employee: you tell us what you can do and what's going to fit around your home and family life. Huge ... that's probably the single biggest change in attitude in this industry since I've joined in. And it's happened in the last couple of years because this industry has woken up and said, you know, we have to acknowledge that our employees do have lives outside of these hotels and it's not acceptable that they work 60, 70 hours a week."
Main actors		
Bullying and harassment procedure	• part of grievance procedure, has been there	
Men entitled to parental leave	• most is unpaid • awareness of EU directive • 3 days paid, 2 weeks unpaid since about 1998	
Sickness treated as special form of paid leave	• sick-pay has been available up to now, but under review	• It's a massive amount of money which is why we have introduced the absence management policy, because most sickness is casual absenteeism, it's not genuine sickness."
Assistance to employees whose dismissal could not be avoided	• no – if dismissal "then you're on your own"	
Policies helping balance work and family responsibilities	• try to fit around childcare arrangements • try to be flexible with working hours • try to be flexible with amount of days people work • but: no formal policy	

Other information	• 2 HODs work 4 days per week only • GM's discretion "The sheer fact that we are now doing the attitudinal surveys with the staff tells me the company is realising, hey, this is a very critical area and how we treat people is a very critical area and now, more than any time, they're more interested in that than they've ever been."	"I take a very dim view of managers who work 6 days a week, I don't approve of it, I don't think it's good, I don't know why they can't do their job in five days, and that is just a shift from certainly when I first came into this industry, where if you didn't work 6 days you were obviously not very good at what you did and you weren't committed and if you didn't put in lots of face time and always be seen on the property, you know, and that's changed to I say to my managers it's up to you, you know, you're a grown up, you manage a department, you're responsible for your own profit centre I'm not going to chase you to know when you're here when you're not here, I don't want to see you working 6 days a week, I think it's bad for your health, it's bad for the morale, I think it sets a very poor example for your department. So, and I think there has been a huge cultural change in this industry."

D 1.2: HRM data for Green

General information on employment management	
How many employees in HR dept.	Employment status of HR employees
2	FT
When HR dept. set up in current form	Joining date HR manager
Feb 2000, before only one person Increased workload – too much for one staff	July 1999
Professional or academic qualifications of HR mgr.	Relationship between HR dept. and corporate HQ
BA hospitality management	HR manager reports to regional HR manager; regional managers report to HR vice president
Importance of HRM in hotel over last 5 years	
"I think it has an increasingly important role. It's always been given a certain amount of importance. It's been recognised I would say for the full five years, the importance of HR. Lately it has become more apparent and more proactive in approach to initiatives. It's been more recognised I think by line managers and general managers the impact that a successful HR department can have on the operation."	

Recruitment and selection		
Sub-elements	Key points	Quotes/ other information
Importance	• increasing importance	"I think it's becoming increasingly important to get it right and we're becoming more aware of the techniques involved in recruitment and selection rather than just hiring people and that would be what we're looking for."
Main actors	• depending on level • HR manager does screening for all levels and second interviews for supervisory levels and key roles • established practice	
No. recruits 2000	50-60	Large proportion part-time and casual staff
Main categories	Waiting staff, bar staff, kitchen porters	• Cleaners/ housekeepers not prominent • no significant changes over time
Sources of recruitment	• managerial: internal worldwide recruiting system with transferring opportunities (since 2000), advertisements, agencies, talent bank of speculative applications (as before) • all other posts: advertisements, employment service (as before)	
Specific selection criteria from job analysis	• "No. We are becoming better at it now." Previously: standard interview checklist for candidate traits/ characteristics	
Interviews	• unstructured and structured for kitchen porters, housekeepers, general porters and waiting staff (structured for certain key roles for which job specifications are available) • higher levels: behavioural and situational interviewing • since ca. 1998 more specific and focused than before	
Psychometric tests	No, but to be introduced in April 2001	
Other assessment procedures	• Sometimes work trials for chefs • presentations since 1999	
Problem-solving as selection criteria	No	
Systematic evaluation of selection	No	
Realistic job previews	Yes – for long time already	
Formal induction programme	Yes – has always been applied; both generic, department and role specific	

Terms and conditions of employment		
Sub-elements	Key points	Quotes/ other information
Importance	• Unchanged during last 5 years • even with Green takeover no changes	
Main actors	Head office	
General policy about basic pay rates	No – depends on local interpretation and demands from branch	
Type of compensation practices	• incentive schemes differing in different departments • profit sharing • share ownership programmes all available for all staff for five years	• salary for supervisors and above • hourly rate for other staff, depending on position, length of service
Additional benefits and bonuses	• 50% off food and beverage in Green hotels • 15 pounds in UK Green 25$ worldwide and additional benefits	• after 12 weeks providing incentive to staff to successfully complete induction stage
Explicit policy of job security	Intention to keep jobs secure – provision for alternative employment if possible (over five years in operation)	
Single status reinforcing idea of equality	No differentiation between staff levels	
Harmonised terms and conditions	• April 2001: harmonise all terms and conditions • all harmonised but rates of pay	
Monthly or annualised hours to promote flexibility	No	
System of tip sharing	(no knowledge)	
Other information		

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Performance appraisal		
Sub-elements	Key points	Quotes/ other information
Importance	• increasing importance since late 1999 • minimum every 6 months (previously annually)	• after 11-12 weeks induction programme finished • review for identification of training and development needs and objectives for staff member • facilitates review in 6 months time • "greater efficiency and effectiveness from that employee"
Main actors	Corporate sets frequency and provides forms to use	
Individual appraisals with written feedback	Always used	
Use of appraisals (financial/ non-financial)	• aim: performance review • opportunity to monitor whether statutory training has been carried out in time • no link to pay	
Explicit and objective criteria	• core values related to balanced scorecard	
Team-based appraisals	No	
Training for appraisers	Yes – for five years	
Other information		

Training and development		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	"Constantly increasing."	• always great importance attached to it, but now: "we have a much more organised approach to training and development." • larger company: more trainers from corporate Green coordinated by regional HR manager
Main actors	All levels depending on type of course	
Policy of on- or off-job training for new employees in first year	• technical and behavioural skills training scheme within first 12 weeks on-job (directly job related and how to deal with customers) • staff can then move on to do an NVQ • other staff TBS as well initially, then off-job	• "That's a great recruitment tool and development tool for us. If you complete your job training then you are 80% on the way to gaining a nationally recognised qualification."
Policy of on- or off-job training for employees after first year	• no policy, depends on specific needs identified with appraisals	
Focus of off-job training	• technical skills up to supervisory level • gap at management development level addressed 2000	
Objective multi-skilling for more jobs	• yes • extensive programme of multi-skilling from 1997 • suspended at present due to amount of other training initiatives • definition of multi-skilled employee: works in more department on the same shift	• expectation that multi-skilling is "beneficial to the financial success of the organisation and makes us more efficient in terms of manning and salary costs and also that'll give individuals the opportunity to expand their knowledge and be more diverse in the challenges they have in the hotel" • provision of financial incentives to employee willing to train to become multi-skilled • ½ hour break to change between departments • interest from "quite a number of employees"
Training based on systematic training needs analysis	• yes, first time June 2000 by regional HR manager • effort now to identify training needs sooner by appraisals	
Systematic evaluation of training programmes	• pre- and post-course briefings with employees • evaluation on regional basis independent of employee level	

Work Organisation		
Sub-elements	Key points	Quotes/ other information
Importance	"Not much importance and not a structured approach to it."	.
Main actors	Individual hotel level, particularly line managers	
Degree of task variety	• high for management positions • no significant change over last 5 years	
Degree of discretion	• 1996 – 1999: "we didn't have much discretion" • 2000: introduction of staff programme "which is an internal approach to how we look after people. There is a scope for individuality."	.
Use of teams	No	
Formal job analyses determining work requirements	No	
Job rotation explicit element of work organisation	No	
Employees encouraged to participate in problem-solving groups	• yes • working parties on uniforms, terms and conditions and other issues	
Other information		

Employee Relations and Communication		
Sub-elements	Key points	Quotes/ other information
Importance	"Consistently very good I would say and improving."	
Main actors	All levels involved	
Trade union recognition	No	
Negotiation or consultation with non-unionised form of employee representation	No	
Consultative employee-management committee	• discussion of any issue relating to employees' rights, staff facility improvements, working patterns • one representative per department, HR manager and GM on monthly basis • established for five years	
Programmes of upward communication	• regular employee surveys for five years, but irregularly now semi-annually • grievance procedure • suggestion schemes	
Programmes for downward communication	• departmental team meetings • regional employee forums with staff meeting training and development vice president UK • newsletter	
Other information		

HR planning		
Sub-elements	Key points	Quotes/ other information
Importance	"Again, increased importance in the last two years."	
Main actors	Corporate mainly, but all levels involved	
Formal career planning activities	• not formalised, but being improved • succession planning programmes since 2000 for HOD and above levels	
Explicit promotion criteria	• yes, present also before 1999, but only some departments	
Preference for internal candidates when filling vacancies	• no explicit policy, but natural preference • positions not necessarily advertised internally first, but simultaneously	

Investors in People		
Sub-elements	Key points	Quotes/ other information
Importance		"To be honest, it's not something that has been given a great deal of importance in the last couple of years."
Main actors		
Holding IIP	yes	
Main benefit of IIP		"I think it sets a standard of expectations that managers and employees can IIP companies that will offer training and development and good HR practices."
Other information	Apparently not sure about IIP accreditation	

Equal Employment Opportunities/ Diversity Management		
Sub-elements	Key points	Quotes/ other information
Importance	"Very important"	Increased training for manages on subject
Main actors	HR and line managers	
Formal EEO policy	• established practice • no discrimination on any grounds	
Policy targets for at least one type of discrimination	No	
Measures in effectiveness of EEO policy	• Monitoring sources of application by hotel which is in turn monitored by regional HR • also monitoring headcount of ethnic minorities in hotel • no strict targets	
Other information		

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Family- and Employee-friendly Policies		
Sub-elements	Key points	Quotes/ other information
Importance	• no explicit policy, but philosophy • willingness to create flexible working arrangements to meet family or childcare needs • also labour market and need to secure best candidates mentioned	"There is no such policy, but there is the philosophy [whereby, M.E.] we're trying to bring balance in employees work life and personal life. Though it's not stipulated how that needs to be approached. The philosophy is very much that we need to be gone are the days where you're expected to work 60 hours a week and be happy to have the job. We have to be much more balanced in the approach and people's personal commitments."
Main actors	Corporate philosophy to be implemented by GMs	
Bullying and harassment procedure	• always been in place	
Men entitled to parental leave	• always, not extensive though i.e. two days	
Sickness treated as special form of paid leave	• always been in place • 2 – 12 weeks depending on length of service • after 6 months service	
Assistance to employees whose dismissal could not be avoided	• no compulsory redundancy for last five years	
Policies helping balance work and family responsibilities	See above	
Other information	• childcare vouchers as employee benefit	"We have to pool from so many different sources of labour. We have become very good at being flexible whereas other industries may not have needed to diversify in their recruitment as much. I think it's been hard way quite natural sort of situation which we find ourselves in within hospitality and that's supported by the company philosophy."

Additional information
• philosophy to achieve a balance between work pressures and individuality introduced in February 2000
• some managers with difficulty understanding concept
• "It's encouraging people to bring a little bit of their own individuality to work. And enjoy the time that they spend in the workplace. And for us as a company to do what we can to improve on anything that can bring balance into people's working life"
• "In the Glasgow area the competition is so intense now for employees that we are forced to be much more flexible in our approach."
• shift happened in 1998-1999
• increased competition over last 15 years and particularly since 3 years
• Hotel White had impact on hotel – better pay and different approach to hotel management
• no previous turnover figures – no information on how it was measured
• no old employee satisfaction surveys
• high turnover of HR managers
• record keeping introduced by present HR manager

D 1.3: HRM data for Red

General information on employment management	
How many employees in HR dept.	**Employment status of HR employees**
2 - HR and training manager and assistant	FT
When HR dept. set up in current form	**Joining date HR manager**
Always been like this	Jan 2000, but with company since 1997
Professional or academic qualifications of HR mgr.	**Relationship between HR dept. and corporate HQ**
Certificate in Personnel Practice IPD, seeking TDLB	Corporate HR manager as aid for ER, dismissals and other legal issues HR manager must be consulted; training and development manager provides training directory Every six months interactive HR workshop, previously meeting with not as much input opportunities
Importance of HRM in hotel over last 5 years	

"The role has changed, I think. We have a lot more say in what happens. And the company is a lot more focused on HR and training. Certainly when I started within the company, it was a matter of there isn't time for training and HR, there is all that we have to pay for, they don't actually give anything back. That was the main scene whereas now you see within the head office, with the managers who are coming in, with the general managers who are being recruited, they are a lot more training focused."

Previous GM who just left very training focused

"So the focus is a lot more on HR and they appreciate more how it affects the team and how it is an important resource. And it does make a contribution whereas beforehand I think it was just seen as a hassle."

Reasons for this: change in culture

"I mean, the hotel companies made commitment to IIP, so the different hotels will work towards that. I think they have also seen that as labour markets change, we are not always getting in like these trained professionals from college or universities, have to grow our own as such , so in order to do that, HR making a bigger contribution, you know, train the people, develop the people, that's we not just get them suddenly, go out do an interview, here's a trained person and they go. The labour market's changed and things like IIP and Excellence Through People being introduced means change in priorities."

Recruitment and selection		
Sub-elements	Key points	Quotes/ other information
Importance	• important • connection to labour turnover • HR focus on labour turnover and cost	"I think it is important and people maybe are starting to realise that more when they start to look at the labour turnover. But there are still very much the thoughts that the head of department I'm short-staffed I need bodies, and is trying to get away from it, but the first person you see isn't always the best, let's wait and see until we've seen all five or six. And then make a decision, and then you'd have the other extreme some managers just don't want to decide because nobody's perfect and may only want the best person. It's like, well, ok we may not somebody with the relevant skills, who do you think we can train up. So you got one extreme to another."
Main actors	Depending on level HR managers with screening, then HOD or GM	
No. recruits 2000	100	Unusually high due to refurbishment which "acted as a demotivator"
Main categories	• waiting staff • bar staff • housekeeping • sales team and kitchen had to be re-staffed completely	Reason for this: waiting and bar in dept with need for numerical flexibility due to demand variations; many casual staff use casual work to get money, but not for career; staff move on to other permanent jobs – housekeeping is "a very hard job", not desirable and "stepping stone" Management, secretarial and chefs interested in career, others not increasing turnover
Sources of recruitment	• all positions: look for candidates within hotel group • managerial: agencies, adverts, word of mouth • clerical: adverts, jobcentre, word of mouth • chefs: adverts, jobcentre, word of mouth important due to networks between chefs; agencies for higher grades, training provider for NVQs for young trainees who are trained in-house ("so we just grow our own as such") • others: jobcentre, local adverts, word of mouth; housekeeping also go to training provider for getting unemployed people back to work – housekeeping ideal	• these sources of recruitment established • reservations against agency work: send as many CVs as possible to get someone placed and receive money • training provider more loyal as they are interested in trainees future as much as hotel is
Specific selection criteria from job analysis	• general knowledge of jobs in hotels • talk to HODs for any specific requirements • job descriptions in place, yearly update	

Interviews	• managerial: structured, behavioural, situational • chefs: situational and structured • clerical/ secretarial: structured around certain relevant areas	
Psychometric tests	• Thomas International Test for managers since Nov 2000	
Other assessment procedures	• work trials for chefs • scenarios for managers with assessment of reaction and behaviour especially for reception just introduced	
Problem-solving as selection criteria	• no	
Systematic evaluation of selection	• no	
Realistic job previews	• no explicit policy, but attention drawn to negative sides to create realistic expectations	• important to get to know downsides of jobs: exit interviews
Formal induction programme	• always in place	• "It used to be very much I haven't got time for training, haven't got time to take references for new people, just get them in. It's still a bit like that. [...] But it is getting better, they're starting to realise the importance, not just get the first body in, but is that gonna be the right body you want to work with for the next year."

Terms and conditions of employment		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	"I think it's a lot more important because all the new legislation that is coming out. To a certain extent it was ignored until recently."	• previous vice-president HR until 99 did not take legal changes very seriously • new HR manager initiated new contracts, new handbook etc. • "And again we are getting more policies coming through which have given us a lot more guidance."
Main actors	• vice-president HR, group HR managers, hotel HR managers	"Head office are taking a lot more control and say over what we can and can't do." • increased requirement to get approval from head office before dismissals, discrimination issues • seen as positive development to have additional support
General policy about basic pay rates	• no policy from head office • responsibility of GMs • pay built in budget which needs overall approval from head office	• previous GM wanted to build up underpaid areas • head office did not interfere
Type of compensation practices	• profit-related pay until 2000 • share options scheme for staff employed over one year since 1997	• PRP abolished due to problems with inland revenue; instead of 3% PRP just 3% general pay rise to avoid problems
Additional benefits and bonuses	• 50% off food and beverage at other Red hotels • healthcare for senior managers and employees over 5 years service operated "for a while" • pension schemes for all – only recently introduced	
Explicit policy of job security	• no, but provision in contracts that in case there is no need for position due to economic conditions, move to a different position at same conditions possible • other option: move person to different property – done also previously	

Single status reinforcing idea of equality	• most issues with single status, but: - company car for some managers - parking spaces for some managers - suit rather than uniform option for some managers	
Harmonised terms and conditions	• all ft positions salaried • same contracts for managers and non-managers	
Monthly or annualised hours to promote flexibility	no	• move towards pt recently to give staff guarantee of e.g. 25 hrs per week, but: due to demand fluctuations not beneficial • move back towards more casual staff
System of tip sharing	• different systems tried out in F&B • now: weekly share of tips depending on hours worked • constant change, depends on manager	"Tips is always an awkward issue. No matter how you split it, no-one's happy."

Performance appraisal		
Sub-elements	Key points	Quotes/ other information
Importance	• important • move towards standardisation, but difficult as it should be informative, but not too much to fill in and reflect different levels of aspiration by different staff	"I think it is very important. It is something that we're trying to look at across the board now as a company. Beforehand, different hotels may be doing their different things."
Main actors	• head office with input from property HR managers	
Individual appraisals with written feedback	• previously semi-annually • now annually • 4 week review after new hire always been practiced, but not head office policy	
Use of appraisals (financial/ non-financial)	• development • career progression • maintaining communication between HOD and staff who often do not talk about important issues even though they meet daily	
Explicit and objective criteria	• always in place – criteria changed slightly	• previously one form for all, now one for staff and one for supervisors and managers
Team-based appraisals	No	
Training for appraisers	• offered, but not obligatory	• "The course is there, but not many people asked to go on it. Most head of departments don't really like appraisals that much."

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Training and development		
Sub-elements	Key points	Quotes/ other information
Importance	"It's increased in importance." • previously only one person for training and one for administration resulting in up to over one year until training certificate issued	• head office dept increased staffing levels • since 1998: one dedicated training manager, two training officers and one administrator • "They just didn't have the time, they were too busy doing the courses to do actually any of the follow-up. So there is a lot of restructuring that's happened."
Main actors	• vice-president HR; ground work done by new vice president 1999-2000; then another new vice president further initiating and implementing changes • HODs identifying training needs • property HR manager	
Policy of on- or off-job training for new employees in first year	• no policy • previously "Just induction, then in they went."	• change in 2001 regarding delivery structure • specification of departmental trainers, areas to cover and HR monitoring of training/ induction
Policy of on- or off-job training for employees after first year	• off-job corporate courses after ca. one year • no explicit policy • dependent on training needs, appraisals, department	"It's normally after a year's service that we start to look at more the corporate courses for them. We don't like to send them on too many courses too soon, in case they then go and leave us. Once they've shown us some commitment to the company we can see that they are worth the money and the time being spent on them."
Focus of off-job training	• supervisory skills • individual training skills (i.e. how to train staff) • customer service	
Objective multi-skilling for more jobs	• attempts made, but unsuccessful	• attempts to use waiters in conference and banqueting and move staff between the two bars • "It didn't work out, people hated it, they didn't like it at all. Even moving people between our two bars they dislike it. They have their own team and it's like that's their team."
Training based on systematic training needs analysis	• no, more individual ad-hoc • service improvement courses based on customer feedback questionnaires	
Systematic evaluation of training programmes	• post-course evaluation 12 weeks after course always established • assessment of how much of course is put into practice and of reasons for lack of application of new skills	

Work Organisation		
Sub-elements	Key points	Quotes/ other information
Importance	• changes depending on presence of problems • budgets for headcounts to be approved by head office	Seasonal variation in demand calls for casual staff
Main actors	• regarding headcount: head office • regarding job descriptions: hotel	
Degree of task variety	• roles have changed (no conclusive answer here) • depends on individual hotel	
Degree of discretion	• "I think they had a fantastic time." • move towards greater standardisation which may restrict individual expression • "In a bigger organisation you have to have standardisation." Demanded by customers	"If you have a ham sandwich here or have three slices of ham we have a ham sandwich in London it's exactly the same. For our regular customers is nice they know what to expect. For the staff sometimes its cuts back on what they do what they can prove themselves."
Use of teams	No	
Formal job analyses determining work requirements	No	
Job rotation explicit element of work organisation	• in kitchen in particular; 3 areas and people moved every 6 months to get experience in all • established practice	
Employees encouraged to participate in problem-solving groups	• only when required for specific course, otherwise no	
Other information	Flexible no of e.g. waiters – 10 casual or 5 full time is in discretion of hotel as long as budget is adhered to	

Employee Relations and Communication		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	• increased importance	• "I think it's not seen as important as it should be, but certainly more than it used to be."
Main actors	• GM • IIP standard promote communication	
Trade union recognition	No	
Negotiation or consultation with non-unionised form of employee representation	No	
Consultative employee-management committee	• since 1995 representatives from each department; discussion of health and safety issues, staff canteen, social club, changes in work systems • quarterly meetings	
Programmes of upward communication	• grievance procedures always in place • suggestion schemes previously applied • staff survey done by previous GM	• staff survey revealed negative perception of previous GM; no action following from that
Programmes for downward communication	• staff notice boards • departmental meetings • general manager meetings • newsletter from head office	
Other information	Not much change in this area over last years	

HR Planning		
Sub-elements	Key points	Quotes/ other information
Importance	"I think it's probably increased."	
Main actors	hotel discretion	
Formal career planning activities	• increasingly taken up • started to look at graduate training • started to intensify secondment • started building links with other group hotels worldwide and exchange interested staff • started to build intranet facilitating head office to do career planning for people by accessing local information about staff and development opportunities for certain roles • move away from system where internal candidate sees offer and decides on applying to system with more proactive planning and suggestions to staff	
Explicit promotion criteria	"No. We tried to promote from within wherever possible, but it's more the manager agrees, HR agrees, it happens."	
Preference for internal candidates when filling vacancies	• yes – established; see above • internal candidates get first opportunity	

Investors in People		
Sub-elements	Key points	Quotes/ other information
Importance		
Main actors	Encouragement from head office, but hotel responsibility	
Holding IIP	Since ca. 1995	
Main benefit of IIP	• "I think it's good to put on our adverts, because it shows that yes, we are a best practice employer." • "It encouraged us I think with our training, with our communication, with our evaluation." • once achieved it would be bad to lose: bad for motivation in hotel, peer pressure from other hotels	
Other information	Excellence Through People award held as well from BHA	Booklet with hotel's name published which is available at schools and colleges and advertises hotel as good employer

Equal Employment Opportunities/ Diversity Management		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	London properties have greater mix, not so in Glasgow	
Main actors	Property HR departments	
Formal EEO policy	Yes	
Policy targets for at least one type of discrimination	No	
Measures in effectiveness of EEO policy	Ethnic monitoring of applications summarised monthly (not of actual staff)	
Other information		

Family- and Employee-friendly Policies		
Sub-elements	Key points	Quotes/ other information
Importance	"It's not that great, I think it's better than it was we got."	
Main actors	• head office, line managers, HR	
Bullying and harassment procedure	• yes	• exit interviews revealed that deputy GM was bullying and harassing staff – subsequently dismissed
Men entitled to parental leave	• since 1999, but most unpaid • parental leave not extended by employees due to financial reasons	
Sickness treated as special form of paid leave	• after 6 months service; duration of entitlement dependent on length of service • discretionary – can be withheld • has always been implemented like this	
Assistance to employees whose dismissal could not be avoided	• yes – internally opportunity to apply for other jobs • can take time off for interviews or training • details with employment agencies provided	
Policies helping balance work and family responsibilities	• offer flexible working hours	
Other information		"Even the kitchen is not matter of the head chef shouting at everybody, and comie-chefs running around in fear, you know, people won't work like that any more. When staff are more difficult to find you realise you really got to look after and you can't treat them like that and just expect them to put up with it. And certainly as there are so many protections there and there's compensation for employees. You are treated unfairly, you are much more aware that you can't do it."

Other Information
"There is a lot of work to do, I think, because we went from family kind of small companies with 17 hotels to this big corporate company, we just grew very fast and HR kind of got forgotten along the way. I think particularly over the last years there's been so much new employment legislation coming in and until the team at head office reached the level that it should be numbers-wise and quality wise and knowledge wise we were falling behind." "We got certain skills in different areas, but none of us are employment law experts. And it's nice to get some standardisation and some guidance in."

D 1.4: HRM data for Yellow

General information on employment management	
How many employees in HR dept.	Employment status of HR employees
2 i.e. HR and training manager working for franchised hotels, not only this hotel	FT
When HR dept. set up in current form	Joining date HR manager
Feb 2000; before that: only training manager Line managers used to do much HR related work New senior managers pushed for enhanced HR and line managers needed dedicated HR person for advice	Feb 2000
Professional or academic qualifications of HR mgr.	Relationship between HR dept. and corporate HQ
PgDip in HRM, CIPD	N.a. due to franchised organisation
Importance of HRM in hotel over last 5 years	
"I would say probably that it didn't take much importance ... Now obviously I've got different angles, I think they realised that it has an impact on a lot more things than they realised before."	

Recruitment and selection		
Sub-elements	**Key points**	**Quotes/ other information**
Importance		"Difficult to say importance, when you haven't been there in the company. It was important in our business, it's a people business, so it's important."
Main actors	• Line managers • HR manager involved in interviewing supervisor and above position	
No. recruits 2000	80	Particularly bad year in terms of turnover
Main categories	• Waiting staff and housekeeping • other categories only occasional changes • no data on previous years	• objective 2001: setting managers objectives to reduce turnover in their departments
Sources of recruitment	• managers: national and local newspapers, trade magazine caterer and hotelkeeper • clerical/ secretarial: evening times, jobcentre • chefs/ cooks: evening times, jobcentre, agencies (depending on level) • other groups: jobcentre, possibly advert in local press and free papers	
Specific selection criteria from job analysis	No	
Interviews	• Yes • managerial: since 2000 structured and behavioural, previously probably situational • all others: structured and behavioural • only category different: waiting and conference and banqueting: some unstructured as applicants are often young and lack previous job experience • anyone in FT position more structured interviewing • for casuals where previous experience is less important and person is trained from scratch "It's more personality and character we're trying to find out." • training for all interviewers given (no data on introduction date)	• "Difficult to say for the past" • "You got to try and engage them and sometimes the only way is through questions loosely based on the job finding out more about the person rather than linking it directly to job skill."
Psychometric tests	Numeracy test for young apprenticeship applicants	

Other assessment procedures	Work trials for chefs and secretarial positions	
Problem-solving as selection criteria	• one criterion of structured interview • no data as to when introduced	
Systematic evaluation of selection	• no, but • area that will be considered in the near future	

Realistic job previews	• since 2000 definitely for all • no data on previous years	
Formal induction programme	• has always been in operation for all groups	

Terms and conditions of employment		
Sub-elements	Key points	Quotes/ other information
Importance	"As long as they seem to be fair and applied fairly, I would say that's the importance of them. You need them, but I think as long as they seem to be fair, I don't think there is a problem with terms and conditions."	
Main actors	Two-way process: managers indicate problem areas, HR looks at required changes	In the past set by company and not questioned; now managers realise they can influence them
General policy about basic pay rates	• wage comparison with staff surveys twice a year • benchmarking with other hotels	• staff hourly rate • supervisors and managers salary
Type of compensation practices	Since 2000 • everyone eligible for bonus based on budget adherence • additional bonus for managers for their department adhering to budget • max 10% on top of salary, for managers additional 5% • before: departmental targets	
Additional benefits and bonuses	• anniversary bonuses for all except HODs i.e. one day's pay for up to five years service	
Explicit policy of job security	• turnover high enough to allow for natural wastage • people leave independently, dismissals hardly necessary	"I wouldn't necessarily say explicit policies, but redundancies aren't really a feature in hotels. They are not common. And if redundancies, then only one person, it is never a group of people."
Single status reinforcing idea of equality	• for 5 years: no privileges for managers	
Harmonised terms and conditions	• "not an awful lot that differs between the terms" • same holiday entitlements • two payment system, but choice between monthly and weekly • strongly changed in 2000: previous contracts needed to be streamlined, they used to be "very ad hoc"	Unclear what exactly changed; it appears that previously terms and conditions were not standardised
Monthly or annualised hours to promote flexibility	• one department considers that for one employee • 0-hrs contract for flexibility "that's going to take over from the old casual worker"	
System of tip sharing	1998: tronc system introduced for staff in food and beverage departments; share-out depending on the number of shifts worked between kitchen, bar and waiting staff 1999: service charge introduced	
Other information		

Performance appraisal		
Sub-elements	Key points	Quotes/ other information
Importance	"I would say in the last four years it has been done, but I would say the importance in the last 12 months, it hasn't been seen as important in the last 12 months."	Due to arrival of HR manager Because of IIP reassessment
Main actors	Now HR, previously in discretion of line managers	
Individual appraisals with written feedback	• for last 5 years all employee groups • since 1999: semi-annually • no data on previous practice	
Use of appraisals (financial/ non-financial)	• until 2000: linked to pay • very structured "There was lots of information they were missing using this form, it was very structured." Categorisation of staff into certain groups rather than discussion • from 2000: non-financial purposes only; evaluation of performance and targets and training needs now more discussion with employees	"Pay rises were given on the back of the performance review, but it was not a form designed to do that. Up until a year ago."
Explicit and objective criteria	• previously until 2000: one form for all • from 2000: dependent on individual job descriptions	
Team-based appraisals		
Training for appraisers	• none until 2000 • now obligatory	
Other information	• 360° feedback for senior managers from 4 people • no data on introduction date	

Training and development		
Sub-elements	Key points	Quotes/ other information
Importance	"Very important"	• training manager previously established • respondent deduces that training has been very important • previously ad-hoc organised, not planned
Main actors	• managers asking for advice and • appraisals	
Policy of on- or off-job training for new employees in first year	• since 1996 mostly on-job for everyone • one day off-job induction • off-job customer care training for all • additional requirements for managers and supervisors • food and bar staff: basis certificate for all	
Policy of on- or off-job training for employees after first year	• refresher for all staff yearly • otherwise: depending on appraisal • off-job or work shadowing i.e. working with someone experienced for a certain period	
Focus of off-job training	• arising from requirements revealed in appraisal	
Objective multi-skilling for more jobs	• more interest since 2000 • particularly for long-term employees • no specific programme, but depending on identification of training needs through appraisals • in some departments higher flexibility e.g. bars and restaurants	"You can't really operate as an effective hotel unless you can move people from one place to another."
Training based on systematic training needs analysis	• since 2000 appraisal plays crucial role	
Systematic evaluation of training programmes	• not until 2000 • 2000: pre-course evaluation of training objectives by employee; 2 weeks after course meeting with manager to monitor whether achieved or not • further evaluation through appraisals	
Other information		

Work Organisation		
Sub-elements	**Key points**	**Quotes/ other information**
Importance	No knowledge about previous practice and importance	.
Main actors	Managers in the past, since 2000 in conjunction with HR dept	
Degree of task variety		"I would say the jobs are not designed with task variety in mind, the jobs are designed for the needs of the role (...). What you do tend to find is that sometimes employees who've been with you a long time you do need to add extras into their job."
Degree of discretion	• end result standard fixed • differing degrees for different jobs	
Use of teams	• Breakfast team in the kitchen – only work breakfast; part of kitchen, but team of their own • in operation for a while	
Formal job analyses determining work requirements	No	
Job rotation explicit element of work organisation	Only in kitchen	
Employees encouraged to participate in problem-solving groups	• customer care committee meet monthly and evaluate customer feedback received, look at areas causing complaints and work out solutions – also look at products and possible improvements • since about end 1999	
Other information		

Employee Relations and Communication		
Sub-elements	Key points	Quotes/ other information
Importance	High for five years	
Main actors	Managers	
Trade union recognition	No	
Negotiation or consultation with non-unionised form of employee representation	No	
Consultative employee-management committee	• yes – since 1996, but not in operation from 1999-2001	• reasons: "I think they found it very difficult to find things to talk about. The general manager found it very strained, but something that will be resurrected this year. But we will tie it in with a health and safety committee to give it a bit more purpose."
Programmes of upward communication	• suggestion schemes for about since 1997, but not operational now • grievance procedure since 1996 • attitude and satisfaction surveys twice a year, now reduced to once a year • applies to all groups	
Programmes for downward communication	• monthly departmental meetings • full staff meeting with GM twice a year • no newsletter yet	
Other information		

HR planning		
Sub-elements	Key points	Quotes/ other information
Importance	"I would say high importance in the last 12 months."	
Main actors	• until 2000: line managers • since 2000: HR, senior managers	
Formal career planning activities	• no data on previous practice • only tool now: appraisals which have dedicated part on future 12 months development	
Explicit promotion criteria	• "No, it's been arbitrary."	
Preference for internal candidates when filling vacancies	• always had preference for internal candidates, but no formalised system • internal candidates always considered, sometimes with external candidates also	
Other information		

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Investors in People		
Sub-elements	Key points	Quotes/ other information
Importance	Not asked due to time constraints	
Main actors	Corporate and HR	
Holding IIP	Since 1998	
Main benefit of IIP	Not asked due to time constraints	
Other information		

Equal Employment Opportunities/ Diversity Management		
Sub-elements	Key points	Quotes/ other information
Importance	"There is a policy. It's more arbitrary I think. In our industry there is not really many barriers to it."	• "There is no reason why anybody couldn't be in any job." • reaffirmed that it is not an issue in hotels
Main actors		
Formal EEO policy	• since five years: no discrimination against any issue	
Policy targets for at least one type of discrimination	No	
Measures in effectiveness of EEO policy	No	
Other information		

Family- and Employee-friendly Policies		
Sub-elements	Key points	Quotes/ other information
Importance	Not asked due to time constraints	
Main actors	Not asked due to time constraints	
Bullying and harassment procedure	Always in place, revised 2000	
Men entitled to parental leave	Since 2000	
Sickness treated as special form of paid leave	• related to length of service • after one year service up to 3 weeks after three years	
Assistance to employees whose dismissal could not be avoided	• dismissal only after gross misconduct	
Policies helping balance work and family responsibilities	• high flexibility on shift patterns • working around staff commitments e.g. children can be dropped off and work started later • has been like this	
Other information		

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Additional Information
HR manager sees her role more strategic Much HR policies introduced after 1999 and after HR manager had started assignment Managers had recognised need for HRM, but with arrival of HR specialist they tried to load off their work on HR manager Aim is to devolve HRM to line management and provide training and competence to do so No turnover or other HR-related data available High sensitivity on financial data

D 2: Data from general managers
D 2.1: GM data for Blue

GM Interview Blue		
1. Revenue streams relative importance		
2000		
	Percentages	Comments
Food & beverage	46%	Food and beverage has become relatively less important compared with accommodation when considering the overall revenue mix; very specific strategy to increase average room rate
Accommodation	52%	
Other	2%	In 2000 average room rate: £67
1999		
Food & beverage	47%	
Accommodation	51%	
Other	2%	
1998		
Food & beverage	48%	
Accommodation	50%	
Other	2%	
1997		
Food & beverage	49%	
Accommodation	49%	
Other	2%	
1996		
Food & beverage	50%	Average room rate: £48
Accommodation	48%	
Other	2%	
Additional Information		
"Accommodation is the most profitable aspect of our business. And we have achieved that primarily through growing the average room rate which has been the main target for the hotel."		

2. Degree of competition					
Very low:	Sales are not limited by degree of competition, you enjoy a monopoly or quasi-monopoly, exceptionally high turnover				
Very high:	Very strong competition, many market participants, very low profit and pressure on cost-management				

2000					
	Very low	Low	Moderate	High	Very high
Bars				X	
Restaurants					X
Accommodation					X
Conferences			X		
Other					X

1999					
	Very low	Low	Moderate	High	Very high
Bars				X	
Restaurants					X
Accommodation					X
Conferences		X			
Other					X

1998					
	Very low	Low	Moderate	High	Very high
Bars			X		
Restaurants				X	
Accommodation				X	
Conferences		X			
Other				X	

1997					
	Very low	Low	Moderate	High	Very high
Bars		X			
Restaurants			X		
Accommodation			X		
Conferences	X				
Other			X		

1996					
	Very low	Low	Moderate	High	Very high
Bars	X				
Restaurants		X			
Accommodation		X			
Conferences	X				
Other		X			

Additional information

• Competition in all markets increased strongly from 1996 to 2000 apart from conference business
• this is due to very large facilities at the hotel which was purpose-built for conferences and situated next to a major conference venue(function room for 1000 people available in the hotel)
• structure associated with this requires many resources to maintain
• new and budget hotels did not build extensive conference facilities

"So all in all, it has become much more competitive?"[M.E.]
"Incredibly competitive. Incredibly competitive. I know, this year I run on occupancy 10% less than I ran last year. You know I have a [hotel White] in my ... down the road. (...). All these new openings 1,300 extra bedrooms per night in the city which equates to 486,000 extra bed-nights a year, you know, that is a huge supply to put into a marketplace. So it just eroded everybody's occupancy. And I think in 1999 there was something like 17 new bars opened in Glasgow, approximately 20 new restaurants, so again, massive, massive competitions which didn't exist previously."

In 2000 regarding competition level "accommodation very very very high"

3. Labour Market Competition

Very low: No difficulties recruiting suitable staff; vacancies can be filled rapidly
Very high: Strong difficulties recruiting suitable staff; vacancies remain open for too long with strong negative operational implications such as many hours overtime required or poor service quality due to understaffing

2000

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial				X	
Sales staff			X		
Chefs/cooks					X
Waiting staff					X
Bar staff					X
Porters/security staff/ catering assistants					X
Cleaners/housekeepers					X
Kitchen porters					X

1999

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial				X	
Sales staff			X		
Chefs/cooks					X
Waiting staff					X
Bar staff					X
Porters/security staff/ catering assistants					X
Cleaners/housekeepers					X
Kitchen porters					X

1998

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial			X		
Sales staff			X		
Chefs/cooks		X			X
Waiting staff				X	
Bar staff				X	
Porters/security staff/ catering assistants				X	
Cleaners/housekeepers			X		X
Kitchen porters					X

1997

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial			X	X	
Sales staff			X		
Chefs/cooks		X			X
Waiting staff			X		
Bar staff			X		
Porters/security staff/ catering assistants			X		
Cleaners/housekeepers			X		
Kitchen porters					X

1996

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial			X		
Sales staff			X		
Chefs/cooks		X			
Waiting staff			X		
Bar staff			X		
Porters/security staff/ catering assistants			X		
Cleaners/housekeepers			X		
Kitchen porters					X

Additional information
• clerical/ secretarial shift from moderate to high "And rate of pay is the main issue here."
• cleaners/ housekeepers: "No-one wants to be a room attendant, it's just as simple as that. Big recruitment problems there."
• kitchen porters: "It's a rotten job, nobody wants to do it, it's as simple as that." – difficult to fill in times of low unemployment

4. Factors limiting sales		
Year	Factors	Additional information
2000	Price competition	
	Poor business trade	
	High exchange rate	
1999	"It was a very good year for us (...). And it was such a tremendous year for Glasgow as a city."	• Occupancy growth in Glasgow from 1998 to 1999 by 12% • right mix of business • good demand • good year for conferences and meetings
1998	"1998 was ... it was OK. I can't really think of anything in 98 that had a bad effect on the business"	
1997	"1997 was a bad year, was a very bad year."	
	Lack of tourist demand	
	Poor business trade	
	Influence of tour operators	
1996	"The hotel hadn't really realised its potential." "Things that were wrong was the reporting structure in the hotel, selling strategy of the hotel. It wasn't so much influenced by external factors, but by poor management internally in 96."	
Additional information		
• 1999 good year at conferences and meetings • "For me that has a major influence on the prosperity of the hotel. What happens, what events they have there, has a big effect on what happens in this hotel. So our cycle is attached to the cycle of the exhibition centre, and all exhibition centres are on a cycle." • "It's the four- or five-year cycle that their conventions will be on ... and it all went well. The next good year is 2002." • "Our business books such a long way out, you know, I mean we now are probably dealing with business six years out. We'll be dealing with a conference for 2008." • This is "very very specific for us." But there is also an impact on other hotels in city • hotel purpose-built for conventions, large conference facilities • disadvantage: perceived as out-of-town hotel by local businesses		

5. Performance					
Degree of target achievement regarding performance indicators					
2001					
Mystery guest results (incomplete): 92% - league tables abolished; instead: hotels told what their target is – 2001: target is 90%					
Turnover targets for departments introduced					
2000					
	Significantly worse than expected	Worse than expected	Target achieved	Better than expected	Significantly better than expected
Financial performance			X		
Labour productivity			X		
Service quality					X
Occupancy rate			X (74%)		
Average room rate				X	
Yield				X	
Mystery guest results	86.2% i.e. improvement by 9.52% over 1999 (average result for all company hotels: 79.4%, average improvement by 1.11%) – improvement on rank order from 28 to 5 of 44				
1999					
Financial performance					X
Labour productivity					X
Service quality				X	
Occupancy rate					X
Average room rate					X
Yield					X
Mystery guest audits introduced	76.68% = worse than company hotel average 78.33% rank 28 of 43				
Achievement of company award "Company Hotel of the Year"					

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1998					
Financial performance			X		
Labour productivity			X		
Service quality				X	
Occupancy rate				X	
Average room rate			X		
Yield			X		

Achievement of company service award as first hotel ever in group and only one in three so far

1997					
Financial performance		X			
Labour productivity		X			
Service quality			X		
Occupancy rate		X			
Average room rate	X				
Yield	X				

1996					
Financial performance		X			
Labour productivity		X			
Service quality			X		
Occupancy rate		X			
Average room rate		X			
Yield		X			

Additional information

Some inconsistency here: GM claims that mystery visits started in 2000, but data for 1999 made available; company hotel of the year despite underperformance; possible: mystery guest visits in 1999 already, but not part of assessment yet.

From 1999-2000: broader definition of performance; hotel assessed not only on budgeted profit, but also mystery guest scores, brand adherence levels (since 2001), staff turnover (since 2001) and staff satisfaction survey (since 2000)

6. Additional data: staff satisfaction survey 2000

Dimension	Item	Agree (aggregated)	Disagree (aggregated)
Relationships	We work very much as a team in our dept	89%	11%
	We work very much as a team in the hotel	85%	15%
	I have a lot of respect for my manager	100%	0%
	My manager has a lot of respect for me	92%	4%
	My manager does not manage me as effectively as would be possible	41%	55%
	I feel I don't have enough opportunity to talk to senior managers	18%	78%
	The pay and benefits I receive reflect the work I do	48%	52%
	Department incentives reflect the work I do	60%	26%
	The top management are easy to talk to	78%	22%
	My manager gives praise for a job well done and positive feedback on how I do my work	78%	18%
	My manager knows how to motivate the team and how to get the best results from team	78%	14%
	Staff morale in my department is good	52%	44%
	Generally I am happy with the way I am managed	85%	15%
Communication	I really understand what is required from me in my job	90%	7%
	I am aware of departmental/ hotel objectives	96%	0%
	I am kept well informed of what's going on in the company	71%	26%
	My manager keeps me informed of any departmental issues	82%	15%
Training & development	I have received departmental induction/ company induction	85%	8%
	I have received adequate training to do my job	70%	19%
	I understand what the organisation is trying to achieve	85%	4%
	I review my training and development needs with my manager at least once a year	66%	19%
	I have been given skills and knowledge to do my job effectively	75%	15%
	I am aware of training and development opportunities open to me	74%	15%
	My performance has been reviewed in the last 6 months	52%	37%
	When I attend a course, I complete a pre-course questionnaire	70%	11%
	I always complete a post-course critique	81%	4%
	I enjoy my job	85%	4%

7. Additional data: markets

- important markets: Overseas markets increasingly important; national is important, Glasgow 3rd. rest of Scotland not important
- 75% business and 25% leisure customers stable over 5 years
- business sector most important

8. Additional data: HRM

- 1998-9: 48 hour European directive; casuals working normal hours to be treated as contracted staff i.e. including sick pay, holidays etc.
- shift towards full-time staff in 1998 "Just to try and aid staff retention and service standards."
- European directive and economic upturn; in this situation "You can't offer them 20 hours a week, if they want full-time employment. Because they go and work for somebody that gives them a full-time contract. You know, so really the labour market almost dictates what your policies are going to be in recruitment."

GM Report Blue

Until 1996, the hotel had three different selling functions with different strategies rather than a centralised function responsible for revenue decisions.

"We had 3 selling functions in the hotel who all sold to different strategies and nobody looked at overall yield or revenue of the property. Nobody was overall in charge of making revenue decisions for the hotel. So 96 began a major, major restructuring of all revenue generating areas. And that really carried on into 97 also, that was ... it started in mid-96 and it was well into 1997 before it was finalised, basically it began to make an impact on the business."

"The sales director and his team of three sold what they wanted at what rate regardless of what the budget was, whether they were achieving the rate, the conference office, go to reservations and say, you know, I'm taking a one-day conference on a Wednesday in 18 month time and I want 200 bedrooms and the reservations department would just put it in, not ask what will we do Monday, Tuesday and Thursday, we've sold Wednesday night 18 months out, so the not getting this structure right had a much much bigger implications in this hotel because of the size of the business."

Sales success was measured by volume rather than revenue, reinforcing acceptance of much low-rate business. The division meant that no consideration was given to the entirety of the hotel as conference and banqueting and reservations sold different elements of the hotel. There needed to be an acknowledgement that it is inappropriate to sell only 70% of the rooms "to somebody who is going to have a dinner at the city chambers."

"Who is gonna eat in our outlets, who is gonna use that conference and banqueting room?"
"They needed to sell the whole, not just bits and pieces that weren't benefiting anybody."

These problems led to the introduction of a revenue manager role with overall responsibility to optimise revenue generation. Clear guidelines on sales were established, sales strategies for reservations and conference and banqueting amalgamated and the reporting structure changed in so far as the sales manager continued to report to the general manager, he needed to get approval of the rates from the revenue manager before making an offer to a client. The new structure was finally established in 1997 and "it took two, three years before the new structure impacted on the business" due to long planning and advance booking times characteristic for the industry. At the time of the interview i.e. May 2001, there were provisions for hosting a conference in 2008. These structural changes is seen by the general manager as "a major shift in the way we did business, a major shift."

In 1998, the focus changed on primarily improving profitability, but also efficiency and customer service.

"By that time, sales were coming in on the top line, 'cause we were benefiting from the work we've done with the strategy. However, we were not particularly good at converting that down to profit."

This led to a reassessment of business operations and an emphasis on improving operating efficiency which conflicted with the goal also established in 1998 to improve customer service. Despite this conflict, however, the hotel managed to achieve as first hotel of the group the company service award in 1998 and the company of the year in the following year.

Performance measurement and the definition of performance also underwent significant changes. Prior to 1999, "I used to have one measurement only which was did we achieve budgeted profit". This performance measurement continues to be the most important one, but additional measures were introduced subsequently so that now the hotel is assessed on budgeted profit, service levels as assessed by six mystery guest audits annually, adherence to brand standards as assessed by six brand audits, labour turnover and staff attitude surveys. Particularly the service level assessment is seen as "very very tough measure".

"About 300,000 people annually pass through these doors. I will be measured on what six of them think."

Mystery guest audits reveal greatly improved service levels, both absolutely in percent as well as relatively in rank position (from 76.68% in 1999 which is below the average for the group and rank 28 to rank 5 and 86.4% in 2000 – incomplete data for 2001 indicated 92% service levels). The staff satisfaction survey 2000 reveals overall good satisfaction with staff cooperation, management and training, but an untypical majority of 52% disagreed with the statement that pay and benefits reflect the work they do.

The respondent summarises the changes as follows:

"Previously we had to get our house in order, from then on we moved to improving the service and the quality of the service within the property along with operational efficiency."

Parallel to these efforts there were substantial changes in HRM being made. Until 1999, the individual hotels had their own HR manager and an HR manual. The support from corporate HR was limited:

"And there were some regional people, but not enough of them. And there were some training people, but not enough of them. And they went all over the country, they didn't focus on any specific region, so they really have no big sense of ownership or responsibility for the HR."

In 1999, the structure was changed "to really strengthen that resource to help the hotels perform better.".

Six regions were defined for the company and each staffed with a regional HR manager, training and development manager and recruitment and retention manager. An authorisation for big adverts and recruitment agency fees is required, a data base of candidates is kept, training and development delivered and succession planning for the region organised by the regional HR team. The new structure increased costs, but also helped

"to enable the hotels to drive through customer service programmes, to get help with training, to get help with structuring that training and administrating it, you know, recruitment and retention is a massive massive issue in this industry. The biggest challenge that we have is recruitment and retention of our staff. And again, the acknowledgement that we needed specialists to support the hotels to get the right people into the right jobs to drive the service forward into the business."

D 2.2: GM data for Green

GM Interview Green		
1. Revenue streams relative importance		

	2001	
	Percentages	Comments
Food & beverage	50.6%	
Accommodation	40.7%	
Other	8.7%	

	2000	
Food & beverage	57.4%	
Accommodation	40.1%	
Other	2.5%	

	1999	
Food & beverage	57.5%	
Accommodation	39.5%	
Other	3.0%	

Additional Information

Additional data for previous years promised, but never delivered

High food and beverage share due to strong focus on conference and banqueting, especially wedding receptions and banquets (major location in Glasgow for weddings)

Accommodation share grew by increasing average room rate by 14% in last 3 years
Food and beverage share fell due to decrease in wedding market (same no. of weddings, but fewer guests – 1999: 150 guests on average, 2001: 85-100)

2. Degree of competition					
Very low: Sales are not limited by degree of competition, you enjoy a monopoly or quasi-monopoly, exceptionally high turnover Very high: Very strong competition, many market participants, very low profit and pressure on cost-management					

2001					
	Very low	Low	Moderate	High	Very high
Bars					X
Restaurants				X	
Accommodation				X	
Conferences				X	
Other			X		

2000					
	Very low	Low	Moderate	High	Very high
Bars					X
Restaurants			X		
Accommodation			X		
Conferences				X	
Other			X		

1999					
	Very low	Low	Moderate	High	Very high
Bars				X	
Restaurants				X	
Accommodation			X		
Conferences			X		
Other			X		

Additional information
Additional data for previous years not provided

3. Labour Market Competition					

Very low: No difficulties recruiting suitable staff; vacancies can be filled rapidly
Very high: Strong difficulties recruiting suitable staff; vacancies remain open for too long with strong negative operational implications such as many hours overtime required or poor service quality due to understaffing

2001

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial			X		
Sales staff					X
Chefs/cooks					X
Waiting staff					X
Bar staff					X
Porters/security staff/ catering assistants				X	
Cleaners/housekeepers			X		
Kitchen porters			X		

2000

	Very low	Low	Moderate	High	Very high
Managerial				X	
Clerical/secretarial			X		
Sales staff					X
Chefs/cooks					X
Waiting staff					X
Bar staff					X
Porters/security staff/ catering assistants			X		
Cleaners/housekeepers				X	
Kitchen porters			X		

1999

	Very low	Low	Moderate	High	Very high
Managerial			X		
Clerical/secretarial			X		
Sales staff				X	
Chefs/cooks				X	
Waiting staff				X	
Bar staff				X	
Porters/security staff/ catering assistants			X		
Cleaners/housekeepers			X		
Kitchen porters			X		

4. Factors limiting sales		
Year	Factors	Additional information
2001	Influence of tour operators	
	High exchange rate	
	Lack of tourist demand	
2000	Influence of tour operators	
	High exchange rate	
	Lack of tourist demand	
1999	Influence of tour operators	
	High exchange rate	
	Price competition	

5. Performance

Degree of target achievement regarding performance indicators

2001

	Significantly worse than expected	Worse than expected	Target achieved	Better than expected	Significantly better than expected
Financial performance			X		
Labour productivity			X		
Service quality					
Occupancy rate			(85%)		X (92% at present)
Average room rate					X
Yield					X
Food and beverage		X			

2000

Financial performance				X	
Labour productivity			X		
Service quality					
Occupancy rate					X (89%)
Average room rate					X
Yield					X
Food and beverage			X		

1999

Financial performance					X
Labour productivity		X			
Service quality					
Occupancy rate					X (91%)
Average room rate					X
Yield					X
Food and beverage			X		

Additional information

Food and beverage, which accounts for 50% of the revenue is worse in 2001: reasons for this are that the hotel is very focused on wedding receptions and banquets ("We do most weddings within Glasgow."); wedding markets are reducing as fewer people are invited to attend weddings – no. of weddings relatively unchanged

Need for further niche marketing focusing e.g. on annual dinners – need to move into new market to compensate for this reduction

"We actually have the highest occupancy in Glasgow and we had over the last three years."
"We not only have the highest occupancy in Glasgow, we have the highest occupancy in any provincial property within Green."

GM Report Green

The hotel has always been a busy property and is well-established with the local community. It is the most utilised hotel for weddings in the city, according to the respondent.

"Historically, the [hotel Green, M.E.] has enjoyed a very favoured relationship with the local community, probably for a period of four, five years. It wasn't exploited, it wasn't cultivated."

When the general manager (GM) arrived in 1999, he was given the directive regarding the development of the hotel:

"My directive is very much to create a boutique style property and when I say boutique, very contemporary, but still being very sensitive to the sheer architecture of this building enjoys. The only way I could consider doing that successfully was to actually probably attract a new market, and that's why I'm saying previously in 1999 it was fairly erratic. And what we then decided to do was sort of formulate a plan of niche marketing and many of our competitors ... I don't think they were playing at it, we all had a bit of it, but we weren't using it very much as part of the overall strategy."

The new focus and the associated changes created "an element of fear" with the long-serving line managers. They were given the option to accept and support the changes or to request internal transfers. 80% stayed and supported the strategy.

Rather than concentrating on national and international businesses, as many of the competitor hotels do, a decision was made to focus on local corporate business and to market the location of the hotel in an area of Glasgow regarded as "fashionable suburb".

The retail boom in Glasgow in the late 1990s facilitated this move towards a concentration on the local market. Several steps were taken to successfully pursue the strategy: a sophisticated and well-staffed sales team was introduced as a key business function with two staff being responsible for conference and events, one for tactical promotions and one for the local profit segment exclusively.

"And that's a fairly fundamental change because I'm a great believer that sales is probably one of the foremost functions of a hotel operation."

The large retail centres were targeted and relationships with key decision makers there established. Similarly, good relationships were established with the tourist board and Scottish Enterprise. These contacts enabled, partly through making available detailed statistical and historical data, a proactive identification of businesses locating in Glasgow and the new retail centre outlets without internal travel agencies or travel policies allowing business contacts with the hotel. This proactive searching for local business contrasts with the "slightly complacent" approach taken by other hotels.

"I'm looking at companies that perhaps gonna have an in-house travel agency, or they don't have a travel policy which dictates very firmly where the reservations actually get made. So what we've done for the last 3 years is very much identified those companies that don't actually have either of those elements and brought these clients in, elevated those clients to actually make our core business and what we've enjoyed is a very strong partnership which I believe what business is all about."

The strategy was successful so that now "35% of our accommodation business is attributed towards the local accounts." "So our core business has actually changed." The focus on niche marketing also resulted in a more desirable socio-economic clustering of customers which are now consistently in a high socio-economic group:

"So you could visually see the difference, the clientele social-economic group had actually changed, we're now certainly in ABC1 social-economic group whereas before I don't even think we could have even defined where we were going, a bit of everything, but I could quite clearly define now as ABC1 and that's it. And that's quite a nice position to be in. 'Cause that's the type of clientele that I believe three years ago was the directive that I was given to support a boutique-style property. But to support it you obviously need the customer to support it and that was very much where I believe niche-marketing is crucial supporting the overall strategy for the property."

Achievement regarding the standard performance indicators for hotels has been very positive: according to the GM, the hotel enjoyed the highest occupancy in Glasgow 1999-2001 and in any of the group's provincial properties which is attributed to the niche marketing strategy. Profitability has also been well sustained which the GM attributes to his style of managing the business as if it was his own ("I run this hotel as my own business and this is reason we continue to be profitable"). The mystery guest score has been the highest in the group with 96% (although no date is provided for this figure). This is seen as a result to try to continuously improve customer service levels which has been a consistent objective further emphasised with the introduction of the balanced scorecard performance measurement framework which in 2000 broadened the previously narrowly profitability-focused definition of performance. The apparently successful aim to improve service levels has been supported by a high degree of staff autonomy and a high proportion of full-time staff (i.e. 60%) in the hotel.

"60% of our workforce are actually in a full-time ... which is a fairly high proportion. And the variable, part-time are associated very much to food and beverage. So, unlike many of our competitors that proportion is exceptionally high, but that also supports the strategy to allow us and to be able to develop service delivery standards that we whish to develop at this hotel."

"I actually believe that service really doesn't have any barriers. The barriers are created by hoteliers who think that's all the consumer will get. Whereas I say, no, there is no barriers to service. You know, what we should be doing is allowing ourselves, allowing individuals here to actually allow their own creativity, allow their own character, allow their own personality out. And that 's what makes this hotel fairly unique."

Staff are encouraged to actively seek contact and interactions with guests and then to record this information obtained to further improve the service levels and guest well-being.

The interviewee identifies a change in the hotel industry regarding the value of staff:

"I think our industry has changed. I think our industry has recognised that fundamentally our key assets are obviously our employees and our colleagues."

This is reflected by the staff benefit scheme available to staff after 12 weeks service and successfully completed induction which offers tangible benefits to staff and thus helps retention. The scheme is also linked to the balanced scorecard as the employee element is measured by staff actually having the membership after successful induction.

The element contributing most to turnover is seen by the GM in the student proportion of the workforce ("A lot of our variable contracts are students, so, we will always have a quite high proportion of turnover, purely because of that.").

D 2.3: GM data for Red

GM Interview Red		
1. Revenue streams relative importance		
2001		
	Percentages	Comments
Food & beverage	36%	At present in 2001
Accommodation	60%	
Other	4%	
2000		
Food & beverage		"2000 isn't gonna provide you with accurate data, because the refurbishment was on ... It kind of screws up all the figures that we've got."
Accommodation		
Other		Refurbishment from 28/10/1999 to 28/05/2000 Nov – Feb 2000 max available rooms = 45 Feb – April max available rooms = 85
1999		
Food & beverage	44%	
Accommodation	51%	
Other	5%	
1998		
Food & beverage	44%	
Accommodation	51%	
Other	5%	

2. Degree of competition

Very low: Sales are not limited by degree of competition, you enjoy a monopoly or quasi-monopoly, exceptionally high turnover

Very high: Very strong competition, many market participants, very low profit and pressure on cost-management

2001					
	Very low	Low	Moderate	High	Very high
Bars					
Restaurants					
Accommodation					
Conferences					
Other					

The respondent did not want to use the categories provided and preferred to talk freely about his views of the market competition in Glasgow.

- competition overall has been increasing, but an important distinction must be made:
  - "Massive competition" compared to 1996 in **leisure market** (increased competition for "the p pound in people's pockets" and the influence of the expanding consumer electronics sector)
  - market expansion in Glasgow in **business market** due to changed perception and image of Glasgow from 1990
  - "There is actually a lot more business there, even though the number of rooms has increased."
  - "There's more supply and demand hasn't grown the same rate."
  - "Compared to 10 years ago it seems a lot easier to sell rooms in Glasgow."
- disagreement with assumption in question that more competition means lower profit margins
  - improved hotel quality in Glasgow and more quality hotels in Glasgow
  - changed image of the city towards more cosmopolitan city
  - previously lack of quality hotels, now
  - rise in room rate: "Quality drives price."
  - potential for rising rate even higher as Glasgow is still £ 20 behind Edinburgh
  - no competition over rate in four-star market "We can get the rates we want."
  - international travellers used to high rates
  - more conventions attract more international travellers which "brings wealth into the city"
  - problem now: lack of the "right mix of hotel quality", too many local entrepreneurs rather than international chains
  - UK hotels "ride on our backs and take the base business that is around the city"; "The moment they're causing one or two problems because they are taking rate out of the local business, but they'll struggle, they get squeezed out, pushed down."
  - opportunity to increase profits in upper market segment
  - mass market important for international chains as well during recessional periods
  - increased amount of restaurants and bars (cannot be commented on as market entered only in 2000)
  - growth in bars in upper market segment, opportunities in niche markets

3. Labour Market Competition

Very low: No difficulties recruiting suitable staff; vacancies can be filled rapidly
Very high: Strong difficulties recruiting suitable staff; vacancies remain open for too long with strong negative operational implications such as many hours overtime required or poor service quality due to understaffing

2001					
	Very low	Low	Moderate	High	Very high
Managerial					
Clerical/secretarial					
Sales staff					
Chefs/cooks					
Waiting staff					
Bar staff					
Porters/security staff/ catering assistants					
Cleaners/housekeepers					
Kitchen porters					

The respondent did not want to use the categories provided and preferred to talk freely about his views of the labour market competition in Glasgow.

- lack of quality hotels meant lack of skilled local hotel management
    - management has to be imported to Glasgow to an extent
- clerical staff: well-paying call centres and retail boom had two effects
    - increased competition for clerical staff ("Constantly getting harder getting the quality people that you want.")
    - higher staff quality
    - pressure on paying competitive rates
- sales staff: difficult to find – not used to selling in upper market segment
    - has to be imported to Glasgow to an extent
- chefs/ cooks:
    - lower grades easy to find
    - skilled chefs rare due to deskilling trend in industry 5-10 years ago
- waiting staff, bar staff, porters, housekeepers: "we don't have a problem"
- "What you're really looking at, is where you need the real skilled areas, is getting increasingly difficult. ... It's something that we're probably getting more demanding for. As the quality of the establishment goes up, as people trying to raise the quality of the game, there is not enough quality people to go round at the top end. And again, if you got a history of good quality hotels within a city, that area is not as hard to find. If you go to London, it's not as hard to find."
- staffing problems in hotel due to its internationality not as pronounced as in national brands: "The same people who want to work within the industry will come where they think they have the better career prospects, so they go for the international brands. So, we don't necessarily see it so much as the less known hotels, they probably find it a lot harder."

4. Factors limiting sales

• exchange rate most important factor for leisure market
    -    example: 1996 German tours most important for tour business in the city, now the least important due to exchange rate changes
    -    cannot be attributed to tour operators
• weather: "I think it's an excuse."
• tourist demand: "Tourist demand, I think tourist demand is a wrong thing."
    -    dependent on marketing
    -    Scottish Tourist Board did bad job in comparison with Ireland and Iceland
        "The quality of marketing is appalling, and the way we position Scotland is appalling."
    -    most of the budget flows into highlands with only 11% of bedroom stock instead of cities which are the main market
    -    decrease in tourism
    -    good and successful marketing from Glasgow as a city

5. Performance					
Degree of target achievement regarding performance indicators					
2001					
	Significantly worse than expected	Worse than expected	Target achieved	Better than expected	Significantly better than expected
Financial performance					
Labour productivity					
Service quality					
Occupancy rate					
Average room rate					
Yield					

• productivity: no target – manning percentages used (i.e. costs as percentage of revenue rather than output per employee)

• quality not achieved

• target used as criteria "They were not necessarily targets. It's looked at but there is not necessarily targets."

• yield achieved previously, but not in 2001

• occupancy achieved, but

• average room rate not achieved; "That's why we haven't achieved yield. So occupancy rate probably we have achieved, so we probably over-discounted to get it. We have achieved the occupancy, but we have not achieved the rates."

• quality not achieved

• staff turnover:
- 2002: 25% p.a. target
- 2001: 50% p.a. target
- 2000: 77% p.a.

Additional information:

• Financial data difficult to get for individual properties due to sensitivity of information

• limited use of standard financial data due to different accounting procedures in different companies

• beneficial to compare industry standards such as yield and payroll costs as well as operating profit

GM Report Red

"Our main strategy has been to take the quality right up." The hotel underwent changes in ownership and subsequently upgraded from a three-star to a four-star deluxe hotel. This involved physical changes through refurbishment lasting about 9 months during which certain sections of the hotel were closed. These changes were followed by an emphasis on changing the service culture and quality required to deliver four-star deluxe service which is an ongoing process and the target has not been achieved yet.

This strategic objective required higher quality staff and a change in recruitment and selection. Due to the lack of quality hotels in the city there was a lack of skills in Glasgow, particularly in the managerial field, but also clerical and secretarial positions. Recruitment is oriented towards attitude rather than skills, selection of people who have the potential to be trained successfully and more behavioural rather than skill-based interviewing. The lack of skill base in Glasgow has been somewhat reduced by the arrival of call centres in recent years which, alongside the increased number of hotels, also contributed to a higher competition for staff.

"The way that we will develop and the way that we are developing is we could come back to trainers and recruit on attitude rather than on skill. The skill base isn't necessarily there in Glasgow anyway. We get the right people and we train them, we get there, we've done that, certainly by changing the way that the interviews ... more behavioural interviews than skilled-based."

"The call centres have actually improved the skills in those clerical areas. Skills levels improved, it is harder to get them."

"The call centre market helps us in the clerical side and it causes big problems in competition, but you got to be competitive in that marketplace, for those increases in skills you would expect to pay more money."

"The only thing that can affect service is people. So, choosing the right people, training the people, looking after them, that is the best way to improve the quality. To retain them and to improve the quality. "

"The hotels that survive will be the ones who look after the people and pay them well."

According to the respondent, training needs to be improved, pay increased, staff treated and managed better and recruitment further enhanced by the introduction of intelligence and personality testing in the future. Adjustments to pay have already been made and managerial positions are paid better. Better pay reduces turnover which is seen as an issue that has to be addressed and must be reduced drastically.

"You got to develop a commitment, a greater commitment to training and developing, planning."

"My thought process is basically that you got to pay people better to get better quality and to retain."

Target for 2001 is 50%, an improvement of over 25 percentage points over 2000, and the target for 2002 is 25% (all annualised).

"You can't do it just by doing things a wee bit better in those areas. It's a massive shift in thought process for people. And to get a massive shift in thought process you got to set a massive target."

The factor mentioned by the GM contributing to turnover is the previous management culture characterised by hierarchy and autocracy. There is a necessity for "massive shifts" in managerial thinking as well as a requirement for a higher functional flexibility of staff where peer pressure can be utilised and which leads to lower staffing levels and higher productivity. The old hierarchy had the effect that people within the hierarchy were and are concerned about titles and their position even more than pay issues. The reason for this is that the titles generate recognition from peers.

"The titles are important and their position in the pecking order. That's where the power thing is. It's where you see yourself in a hierarchy. So if you allow a hierarchy to appear, people to see where they are. If you don't have a hierarchy, they can't."

"A lot of the line managers we wanted to get rid. We don't need as many. We are over-managed in the industry. Massively over-managed. We don't believe that people can think and talk and do it themselves. All you do is in the hospitality industry is what every mother does every night when she's in the house, just on a bigger scale. We over-manage people massively. We let them use their own natural hospitality skills which everybody has some of this shouldn't be a problem."

Rather than continuing with the traditional hierarchy, there should be a reduction of over-managing and the allocation of more autonomy to staff who are well capable of utilising their natural hospitality skills. There has been a subsequent change from the previous traditional managerial staffing levels which have been reduced by 25%. What is needed are "smarter managers" and better staff management. It is stressed by the respondent that the above mentioned better pay and working conditions do not suffice to retain staff, but that good management of staff is essential.

"The problem we've got is, although we can train and we have the right people, they won't stay unless they are managed properly."

In contrast to five years ago when there was no dedicated HR professional in the hotel, there are now two full-time HR staff. However, no connections are made by the respondent to any other concepts.

D 3: Data from line managers
D 3.1.1: LM1 data from Blue

The first interviewed line manager at Blue (hereafter LM1), has been the head of the food and beverage dept. at Blue since May 1999. Upon his arrival, he faced several problems which can be categorised into those associated with the management structure and those associated with personnel or staffing problems.

Prior to 1999, the food and beverage (F&B) departmental managers reported to the operations manager, as did the other departments. This management structure, however, brought with it certain problems: the F&B departments "had no direction at all", were "disjointed" and "didn't work as a unit" and "service levels weren't particularly great". The increasing competition in the Glasgow F&B market over the previous years manifesting itself both in a higher number of competitors as well as elevated quality levels exposed the weaknesses of this structure and revealed that the departments were unable to cope with the new situation ("And they just weren't able to deal with that."). Whilst the operational skills of the managers were generally good, they lacked skills in financial controlling of the expenses and payroll resulting in sub-optimal profitability. Apart from the skill gaps already mentioned, there were other problems with staff quality. The managers were recruiting for numbers rather than quality, did not recruit for specific staff qualities: "They were just taking anybody, two arms, two legs and you breathe, then we'll take you in and you can do the job for us". Also, interviewing skills were not developed ("Technique is important, you know, you find people doing interviews, too many people would do all the talking."), and managers had not been trained in selection techniques. Apart from these internal problems affecting staff quality negatively, the working conditions in the hotel industry also have a negative effect, i.e. "hard physical work", "unsociable hours" and the fact that it is "the worst paid industry on the planet". Particularly the bad pay, national minimum wage as an entry point for most ground-floor positions, is crucial: "Rate of pay, whether people agree with me or not, is a massive thing." In order to be able to cope easily with the seasonality of the business and to have a high degree of numerical flexibility, in previous years there was a high proportion of casual staff, i.e. up to 70%. The undesirable implications of this strategy, however, are that casual staff, often students, are mainly motivated by money only, have no intrinsic interest in the job or a career in the hotel and leave, whenever an apparently better opportunity arises such as the opening of a new hotel nearby paying a slightly better rate. This lack of a positive attitude towards work at the hotel and low commitment lead to a high staff turnover (of ca. 80%) which is "a huge problem". "The mix of our staff is that an awful lot of them are students, that they are here just to earn some money, but they don't actually care about the hotel, how well it does. It's just cash for them." The operational implication is that there is standstill rather than progress in the departments: "Every single year we start again". Planning ahead is impossible as "your turnover is so high that you simply cannot say, in three months we will do this, in three months we will do that, because in three months you might have no staff." Financially, there are negative implications by training cost, ongoing recruitment and selection and pressures on the payroll during the time when unproductive staff members are employed who have to undergo training.

In May 1999 a new management structure was put into place in reaction to the problems. The four previously coexisting, but separate F&B departments were integrated into a larger F&B unit with a dedicated F&B manager which led to the subsequent introduction of various changes. They included an integration of goals, management style, the establishment of common promotional projects in response to the increasingly competitive market developments and staff exchanges between the sub-departments, e.g. restaurants and bar, depending on demand. Thus, functional staff flexibility was introduced which was as new as the other common projects. In addition, the managers were encouraged to provide help for each other to solve problems without involving the F&B manager:

"We work as a very combined team, so if the bar is busy, the restaurant staff will come across and will help the bar which never used to happen. Vice versa each department helps each other out. The managers do a lot of promotional work together. They all now have objectives for each department, the staff have objectives which they didn't have before and everybody is now moving in the same direction, whereas before everybody sort of would do what they wanna do by themselves."

These changes in the structure as well as the organisation of work were accompanied by significant changes in HRM policies and their application. "I'd say, recruitment and selection, training and development and employee relations – the three most important factors." Training and development changed at all levels. The management training needs in both the HR related as well as the financial aspects of the business were met by training in financial issues by the departmental manager and HR interviewing and selection training by the regional HR team. Not only, however, was there a change in technique consisting in more focused interviewing, but also in regard to selection criteria: "So it was a certain shift in the attitude of interviewers themselves as well as what they look for." The previous indifference to the quality of staff recruited was replaced by looking for "a certain style of person" with "a really nice personality" who would be "able to talk to customers" and have the "confidence" to do that. The changes already resulted in better quality staff: "we now recruit a better quality person". Further improvements to be introduced at the end of 2001 consist in an initial phone interview, followed by a structured face-to-face interview and a computerised psychometric test (however, with a rather simplistic result display). The importance of supervisors for running shifts and the on-job training of staff was acknowledged and the supervisors, previously promoted without training into a supervisory role, received ongoing training from their managers. Four were chosen to participate in a new supervisory development scheme aiming to train supervisors for managerial responsibilities. The previous minimal training for ground-floor ("Again, when I came here, the training was non-existent.") was extended and a training plan for each staff member introduced. However, not every initial problem could be solved by training alone. Many unsuitable staff needed "to get rid of". Whether this was through natural wastage or dismissals is not clear and "The two managers I got rid of didn't have the attitude, didn't have the necessary commitment", however, they had received training. The commitment required meant they had been expected to work up to 60 hrs. per week, 6 days per week and to be able to cope with "a very high-pressured atmosphere". Commitment and attitudinal issues, caused to a degree by the high proportion of casual workers was tackled by changing the staff mix towards the full-time staff, because these "maybe do wanna make a career out of it." Whilst it is acknowledged by the respondent that "Skills are important (...), but skills can be

taught. Attitude and commitment can't be.", attitude and commitment can nevertheless be influenced, provided the "right staff" with a certain degree of motivation to do well in the job and an interest in learning. With reference to supervisors, objectives need to be clarified, the reasons for these illustrated and the incentive of promotion provided to get them "to have the right attitude, the right commitment." Internal promotion and development opportunities are required to reduce turnover by increasing motivation and commitment. Turnover is now reduced to ca. 35%, seen as a success by the respondent. To compete with international hotels able to offer international assignments, hotel blue has "schemes in place on every level, whereas most hotels concentrate on managers". The example of a previous barmaid who worked her way up to managerial status is referred to several times. This example is used by the respondent as follows:

"And now we can turn round to anybody else and say "Look at Anna [name changed due to confidentiality, M.E.]. That's what she achieved you can achieve the same. We give you the training, you just give us the commitment." So it makes it easier to get the staff to work the way you want them to work. To be a bit more committed about it."

Another factor frequently mentioned is what is labelled "staff treatment – employee relations" in the causal map. "Employee relations, obviously, are massively important. "I'm a firm believer in treating the staff nicely". Managers were threatened with redundancy if they were found verbally abusing or shouting at staff. The implication of this staff treatment is increased commitment to the work and willingness to exert effort, e.g. staff would voluntarily work an extra shift when needed. Also, staff are consulted on changes and may make suggestions. "That way they are more committed, 'cause they feel they've had something to say about it". Staff are also free to organise work according to their preferences, indicating an emphasis on employee discretion/ autonomy which also has positive effects on commitment:

"But I always say to the staff, as long as you're making the customers happy, I don't care what you do, you know, enjoy yourself, take an extra break if you want to."

This way "the staff are more committed to do it".

Despite the importance of the "right" employees ("right staff" and "right people" used seven times by the respondent during the interview).

"sometimes you're gonna have to compromise your principles a little bit, to make sure you got the bodies to do the service. But, in general, the rest of the year, you need to make sure you got the right staff. So, if that's wrong, it doesn't matter what else you do. It won't happen."

Thus, there is a potential indirect link from improved recruitment and selection methods and criteria and the prevalent staff shortages characteristic of the hotel industry, exacerbated by increased competition for labour in Glasgow over the recent years. This highlights a structural mismatch of demand and supply of quality labour implying that more sophisticated selection criteria need to be compromised at times.

The department achieved higher service levels ("although there is a far way to go, they are better than they were two years ago". Mystery guest scores improved from 82% in 2000 to already 90% in 2001, i.e. almost 10% positive change. Sleep and diner ratios improved by 5%, however, average spending is lower. A reaction to the increased competition was lowering prices. Due to better financial managerial controlling skills, profitability increased:

"Now we convert at a far higher percentage than we ever used to do. Payroll's lower that it has ever been, the expenses are lower than they have ever been, and we now make more profit out of each pound that we take in which again is obviously the name of the game, that's business. Profits, that's what it's all about."

According to the respondent, staff has got the main impact on results:

"I would say, 80% is staff" and "I think it comes down to having the right mix of staff with the right attitudes and the right training." "They are the ones on the ground floor, facing the customer day in day out, I'm not. It's rare that I serve a customer now. They got to do it every single day. So, if they didn't put the effort in and do the work and suggest little changes here and there, it would never happen. The direction comes from the top. But they put the hard work in."

The goal to be regarded as the best department by other hotel staff is not achieved, but there is improvement.

Asked whether or not these changes in HR policies actually did lead to improvements in the operational sense, the respondent answered: "Without the shadow of a doubt. Absolutely."

In addition to the role of employment policies, the respondent was asked about the contribution of the HR department. In-house HR is not involved in recruitment and selection directly, and occupies a rather clerical role. "

"Recruitment-wise again generally we do our own recruitment here. We don't human resource get involved, more to the administration side than anything else. And they'll make sure that the relevant sheets have been signed, the main badge has been ordered, but they won't interview the staff themselves."

Regional HR, however, gets involved in substantial HR policy delivery such as managerial training: "The training manager here   fantastic, they do an awful lot of training and it is very useful." In-house HR however deliver statutory training, e.g. health and safety training and fire training. A very important role of HR, however, is HR as an information resource provider:

"I think it is important, because especially in the last few years with the change in Europe especially. The European parliament has made so many alterations to the law, especially how it has affected the UK. And it seemed for a while, every single day a new piece of legislation came out. Not, we would never have been able to have dealt with that if we hadn't had an HR department to turn round and say, here it is, in very simple format, this is what you can do, this is what you can't do. I have never had the time to sit there and go through all and do that. So you do need an HR team there to say, right, legislation-wise, that's your guidelines."

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It is also pointed out that this advice can help reduce considerable financial strain through avoiding tribunals.

Other HR areas are briefly referred to, but apart from those elaborated on, they have little significance, e.g. performance appraisal is regarded as being "slightly important" and associated with more positive staff attitudes, IIP is seen as "important to an extent", but more of a status symbol of little significance to staff.

Overall, considerable progress has been made, much of which is attributed to the organisational and HRM changes as described. "Yeah, I would say we have solved a lot of problems, but a job like this is never complete."

D 3.1.2: LM2 data from Blue

The second interviewed respondent at hotel Blue, hereafter LM2, has been employed at the hotel since January 1998, initially in the position assistant reception manager. She was then promoted to reception manager in September 1998 and again in March 2001 to revenue manager.

Upon her arrival, she faced problems at the reception desk which "really wasn't in very good shape, when I took it over", namely low service and "slipping" standards, mainly due to complacent long-term staff who had been with the hotel for several years. New staff without "any preconceived standards or ideas" were recruited who "could be taught the way we wanted to teach them". Changes were introduced to both old and new staff to "sort of make them more interested". However, many of the long-term staff resisted changes and left voluntarily. This natural wastage meant "we won't sack them or fire them, they leave of their own accord". The changes included a move from a strong focus on procedures to a focus on the customers, a clarification of new objectives such as improving service standards and upselling of the hotel facilities to guests. Individual incentives and rewards were introduced such as personal mentioning of particularly good staff in mystery guest audits as well as internal mystery audits. "It boosted their morale, it boosted a bit of competitiveness within the department, not in a bad way, but in a very "Oh, I want my name next"." Nevertheless, the competitiveness was a collegial one as "everyone would help each other out, so they were loyal to each other and loyal to the department" and where "they became friends outwith work, without knowing each other when they started ... It wasn't just the work any longer". Clarity of departmental objectives i.e. the improvement in service standards and increased upselling was followed by staff dedicated to achieve these objectives: "They were very dedicated and they really did try to meet the objectives that we had." The atmosphere of achievement and dedication meant that managerial supervision became largely unnecessary and was replaced by informal peer monitoring: "There was no longer any need for me to praise them on their standards or whatever, they would do it to each other." Staff were relatively autonomous regarding their work organisation which is well illustrated by the arrival of a new supervisor who demonstrated a domineering, authoritarian attitude which was incompatible with the informal organisation of the department which was characterised by equality rather than hierarchy: "I never said to anyone I'm your boss and you do what I tell you to do. So I didn't expect the people under me to do that either." Staff were dissatisfied with this attitude and informed LM2 about it ("But again, they felt that they could come to me and say to me what things happened.") who subsequently resolved the issue with the supervisor who is still in her position. The successful achievement of the objectives at the reception desk led to the department becoming department of the year and winning other awards "so they became very proud of the department that they had" and "then there was not really a matter to incentivise them any more" as the staff wanted to deliver a good service anyway.

When LM2 had been promoted to revenue manager, she found another department facing difficulties. These consisted in a physical separation of conference and banqueting bookings on the one hand and accommodation bookings on the other hand which means that

"we miss out on sales leads and we miss out on a lot of opportunities because they're separated and they don't know what's going on in the other office, you know, they sell what they are responsible for and the others are an afterthought."

Previously, staff were not aware of the sales strategy aiming at selling rooms or conference facilities at the most profitable rates to be expected which needed to be clarified.

"You know, it's not just sell every room that you possibly can, because there is a strategy behind it. So it's getting them to understand the sort of strategy that we have."

The missed sales opportunities from the physical separation and the lack of awareness and application of a more focused sales strategy implied suboptimal levels of profitability. The staff also only followed managerial instructions rather than making own decisions ("they were very driven by what they were told rather than making a decision on their own."). However, the problem was not only a physical or staff problem, but also a managerial problem as there was lack of managerial guidance in regard to the standards and objectives: "I just don't think they have ever been focused before, they have never actually had to drive them and to say this is why we're doing it (sic!)." Also, there was a lack of staff with the required qualities as the recruiting manager before LM2's arrival "wanted numbers rather than quality" and "didn't realise that it would be better waiting for three months and getting the right person who was going to stay." Lack of monitoring of the recruitment process by other departmental managers allowed this dysfunctional practice to occur. The lack of quality mentioned by the respondent does not so much refer to lack of skills ("we can teach them skills") as to general attitudes towards employment:

"The problem was there before, before I took over, because we weren't employing the right people, they weren't staying."

"And you know, people just don't really seem very focused on careers any more. They don't see it as a step to something better I would think." and "They apply because they job centre told them to."

The resulting turnover and staff shortages meant that there was a lack of "enjoyment" and dissatisfaction as stress due to heavy workload increased.

Other contributing factors to the shortage of quality staff were employment conditions in the hotel industry:

"I mean I think the hospitality industry again ... obviously the salaries are not the best at the team member stage. And if you employ a receptionist and pay them very little and expect them to work shifts and things like that, and they could really go and work in a shop, Monday to Friday, and get paid more than we do."

as well as strong competition for labour in the city:

"Overall the competition in Glasgow is unbelievable. Which takes business, staff, you know, every aspect of our hotel, because an unbelievable amount of hotels in the city as well."

The recruitment process was changed by LM2 to counter the staff quality issue. Rather than hiring whoever applied, a greater selectivity contributing to team stability and reduced staff dissatisfaction. Also, this change meant that turnover was reduced.

"I think now we have ... there were vacancies now in the department which was now filled and because we didn't rush in and take the first person who applied for a job, we waited until we had the right people who we have now employed and who want to be here, so the positions that I filled, you know I think it is becoming a stable team which is given the staff who were here before more security."

The issues relating to suboptimal profitability were addressed by several managerial activities. Standards and objectives needed to be clarified which had not been the case before and reasons for these be explained.

"To make someone work as best as they can, they need to be driven and they need to realise why they're doing it."

"So it's getting them to understand the sort of strategy that we have."

Staff were provided with the required managerial support and given the autonomy to make their own decisions without frequent reliance on managerial instructions.

"You know, we try and make sure that they feel empowered to decide whether we take that or not. So that was a very ... they didn't have to come to me for everything. So that was my main objective of that area was to make sure that they could make their own decisions."

"Thinking that they'll have the support from me as well, I think if our staff feel they're getting support from the manager, then they'll go on, you know, they will do their best and they will concentrate on achieving what we ask them to achieve."

The staff are now aware of the sales strategy ("Now they understand that sometimes it's best not to take this reservation for whatever reason."), and the standards: "They're aware of the standards that have to be met, but they haven't really been pushed to meet them before." However, the respondent contradicts herself regarding the awareness of standards "I think they don't understand at the moment." Certainly, she believes that the now "right people" will "do their best" and acknowledges that due to being in the position only for several months "we haven't made such an impact on it at the moment."

Asked about the importance of staff for the achievement of departmental objectives, LM2 asserts that

"On the first area, the reception desk, I would say it was very much the staff that affected these. I would say 70% of staff to be honest. The way the desk is set out, you know, it's very well set out to do the job. Contradicting that in the revenue office now, the office layout and the setup of the working environment is not right and it doesn't suit what their jobs are. At the moment, the reservations in conference and banqueting are separated by a wall and a door. And doing that, they're working as two separate departments which they shouldn't be, they should be working as one. (...) Once we get the actual working environment sorted, which is what we're looking at at the moment, then everything depends on staff."

Staff treatment is generally oriented towards satisfied staff "We make sure that we are aware of how they are feeling and what they want." and demonstrating "that we are interested in them." To prevent or reduce turnover, there are cross-departmental postings if staff are interested or promotions for those suitable. Also staff training is provided: "I would definitely say training and development is one of the most important areas." The rationale for this is threefold: training is seen as a tool to attract staff, to retain staff and leads to staff introducing friends to the hotel. "I think it will attract more people and actually think that we are bothered about them rather than just making sure that they work." Although not a problem in either of the departments LM2 has experience in, she commented that the high proportion of casual staff in other departments is associated with the high turnover there due to lack of motivation by casual staff. Cross-departmental moves and internal promotions are used to increase the likelihood of staff to stay.

"They may be not happy in the department they're in, we will find a job for them, but we will try and move them somewhere else rather than having them leave the hotel. So we either move them within or we will ... they will be promoted."

However, internal promotions are not only positive. In both departments, there were staff employed for longer who disliked the fast progression of LM2 ("Staff who had been for 5 years didn't particularly like that."). Yet, others saw LM2's promotion as an example that promotion can be achieved.

A negative effect of turnover mentioned is the lack of returns for the hotel when staff leave after training had provided: "We employed someone who'd stay for 6 months and then they're gonna leave anyway, so what's the point in training them?" However, a positive effect of turnover is a higher natural wastage rate and it was, as described before, seen as positive that the complacent long-term staff unhappy with organisational change would leave voluntarily which meant that new staff without preconceived ideas could be hired.

The HR department's role is defined by guidance and acting as a resource rather than operational involvement. "But I mean to me, it is very important that they're there. To steer us in the right direction." Certain policies are in place and available, but regarded as non-obligatory guideline such as the interview schedule suggested for use by recruiting managers.

"We do have sort of an interview schedule so to speak. It is maybe not used as much as it should be, or by the right people."

LM2 regards it as important "that we are not forced to realise these policies". To prevent the recruitment of bad quality staff as previously experienced in the revenue

office, minimum standards should be enforced which would be particularly helpful for less experienced managers.

A point not graphically illustrated in the map refers to the application of different techniques for recruitment of managerial and other staff.

"They don't know how to act in an interview, so you are seeing the real person there and you can then make a decision. Whereas if you speak to ... if you interview someone for a management role, they know how they're supposed to act, they know what they are supposed to say, so it is then that you have to do the tests, and you have to be interviewed by a few people to get to the real person. I think you know there is that difference and that's when we do have to introduce different stages of selection."

D 3.2.1: LM1 data from Green

LM1 started working at hotel Green in June 2000 as revenue manager. This role was newly established to integrate the previously separate departments reservations and conference & banqueting into one department.

Objectives included to increase the revenue, improve the average room rate and to select more profitable business through moving away from tours to individual travellers. This involved a change of strategy and also had implications for other departments, e.g. the restaurant where staff had to get used to cater for individual clients in different markets. Achieving these objectives relied strongly on staff performance.

"I think staff is probably the most important, because the other factors we did have the computers there, they have always been. We probably weren't using them to the best of our abilities, so it's probably about 80% staff."

On a scale from 1 to 5, with 1 defined as not contributing at all to 5 defined as contributing very much with dedication the respondent regarded the staff contribution as important: "Probably about 4 it would be."

"They [staff, M.E.] were very important, because to achieve it is the actual staff on a day-to-day basis, enquiries, and handling, dealing with the customers. So they had to be trained, they had to be working towards the same goals."

The staff performance itself depended on two main factors, i.e. performance appraisals and training and development.

"I would say probably the training has been very important, especially in reservations it's very important having a planned progression and also the ability to attend off-the-job training has been a big bonus."

When LM1 took over her role, the overall performance standards were not good.

"The weren't performing to the standards that I would expect".

However, this bad performance was not attributed by LM1 to bad staff quality, but the absence of training and appraisals.

"There wasn't a history that they had had regular appraisals and there had been no formal training."

"So probably would as well may have been the right person, but hasn't been appraised and they hadn't really gone through the full training system."

Training and development is not only achieved through on- and off-the-job training activities, but also by involving staff in particular projects as explained referring to an example of an employee who had to cope with the changes, was willing to do so, but

used to certain previous ways of working. No training course suited the situation. The involvement in the project was beneficial.

The absence of training and development that would enable staff coping with changes can lead to frustration due to staff being unable to do the job as well as they could. An example is given about a time when new technology was introduced reflecting the increased importance of electronic booking systems as opposed to phone bookings. Training provision lacked half a year behind the arrival of new systems causing frustration.

"I think that has caused some frustration as well because people feel couldn't do the job to the best of their abilities."

Not only training, but also its monitoring have desirable effects. Monitoring training progress and performance appraisals facilitate identifying problems early when remedial action can still be taken. This is illustrated by an example of a new recruit from university who was not comfortable in the role. The process helped both sides see the problem:

"*Q: You realised the problem before it really became big?* [M.E.]
A: Before and also the employee realised the problem, that the job wasn't .. when she actually got down and she was doing the job and she wasn't enjoying it, it was the first paid job after university. So, I mean that probably helped her to work through that decision as well, the appraisals and monitoring."

A further HR policy that has a desirable effect is recruitment and selection and induction which contribute to good staff quality. "Formal selection interviews with the personnel management involved as well" helped getting the "right staff" and the aim of the induction programme is "to make sure that once we have the right person selected, the are still happy when they first start."

The interviewee not only concentrated on her department during the interview, but also referred frequently to the hotel as a whole. Whereas in her department "there has never been a high turnover", particularly the operational departments do suffer from it. The turnover has several determinants including the employment conditions in the hotel industry and can be influenced by HR policies. There is strong competition for labour in the market ("The jobs had a lot of competition especially in Glasgow from the call centres and things.") The reasons for the difference between the departments is that there is a high proportion of student casual staff in the operational departments, particularly food and beverage and "obviously there is a high turnover there by the nature of it."

A better rate of pay is seen as central by LM1 who offers also an explanation for the established low pay rates resulting from historically derived staffing levels which are budgeted for:

"I think the rate needs to be looked at because at the moment we are just turning over staff."
"I think it needs to be taken on across the industry. I mean it's something that is historical as well. Hotels have their levels of staffing that they are budgeted for and they may have to retrieve those budgets."

It is made clear, though, that in her own department "the basic rate of pay in relation to the market has not really ever been a problem in recruiting"

Other ways of reducing turnover is a change of the staff mix towards more full-time positions, progression and internal promotion opportunities

"I think one of the other problems in the industry as well is the rates of pay that we pay. You know it's difficult to demand you know from people etc. etc. etc. they want something in return for that. So you have to be able to pay them a decent market rate, and also, with the training and things people expect to be developed, I think that's very important. Especially today they expect to be able to progress and if there is nothing to move forward to, people lose interest."

Another example is quoted which refers to an enthusiastic person in the reception desk department, eager to learn and interested in the work was highlighted for promotion "into a better role" in the reservations office. Without performance appraisal her interest and suitability might not have been noticed and someone else might have been recruited leading to disillusionment. This way, she could be retained and be offered a better position.

The contribution of the HR function at the hotel is valued highly by the respondent, assigning four on a progressive five-point scale. The importance has changed over the last four to five years. Whereas previously HR was involved in administrative duties like "filling in forms and making sure there is health and safety training and fire training.", "there is a lot more emphasis now on, you know, making sure the appraisals are carried out, succession planning and training and things, making sure people have the right training, so I think there should be change in emphasis."

Thus, the HR function is involved in delivering HR policies including recruitment and selection and others mentioned in the quotations below including induction, training, performance appraisal and internal promotions/ succession planning.

"It's been quite important looking at the availability of training, trying to plan the training, giving me the framework for appraisals and also a framework for initial training along with induction and things. I'm sure it's useful to have all these things rather than doing it yourself from scratch which is also time saving."

Also, the HR function provides advice on operationally relevant employment issues:

"Also, it's important to have somebody there to give you advice when I had someone who is off on long-term sick. What to do, how to go about it, you know, what procedures, they look after that side of things so that I don't have to worry about it."

Yet, the respondent still identifies a problem in too much administrative work carried out by the HR function and suggests that an administrative assistant be hired to attend to the administrative duties allowing the HR function to carry out HR delivery.

"I'm sure they could have an assistant or something else. So I think the major resource in the department would be beneficial for everyone."

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D 3.2.2: LM2 data from Green

LM2 joined the hotel in September 2000 in her role as operations manager, after this position had been vacant for 8 months.

Associated with this vacancy and only the general manager being responsible for the whole hotel were operational problems such as physically run down areas in the hotel, low staff morale, customer complaints, a lack of clarity of objectives for both managerial and other staff, a head chef without awareness of current market trends, and lack of planning as well as health and safety issues in the hotel bars. LM2's objective when joining in September 2000 was to "get it all up and running".

The reason for the run down areas, apart from the absence of an operations manager, is seen in a poorly performing maintenance department with attitudinal problems avoiding responsibility and: "very that's not my job sort of idea" and "they can't be bothered with legalities" such as cleaning shower heads regularly. Due to lack of technical knowledge from managers, supervision is difficult. The maintenance engineer has been off the job due to long-term sickness and is due to return soon. This problem area still remains.

Both managers as well as other staff lacked clear objectives. Managers had been promoted without having received appropriate training:

"There's been people in the hotel who had been promoted up and given the responsibility of duty management, but they didn't really understand where they had to go."

Referring to other staff:

"They didn't really understand what they were there for, more than anything."

The head chef did not realise that customer demands were changing and the menu needed to be reviewed. The bars which were very busy were run with "no forward planning in them and just again the health and safety issues there".

In all cases, the introduction of regular meetings, improving communication and performance appraisals helped staff "to understand what was expected from them". Particularly central to the clarification of objectives has been the application of regular performance appraisals for both sides to be aware of the other's objectives:

"It allowed me to get my point across that I was looking for, but also their point across where they were going or wanted to go."

In the case of managers it was found that there was initial resistance to carry out agreements and thus "strict procedures had to get put into place which weren't in place" to ensure standards being applied. The head chef was in addition to the above activities taken to competitor restaurants by the operations manager to see what the current market trends were.

Most problems are now resolved ("Ok, most of them have been resolved"), and in regard to improve performance of previously untrained duty managers there is even very good progress reported by LM2: "And definitely last year I would say that has been an objective that has been achieved. I see a big difference in it being implemented and it's coming on now."

Objectives were achieved through performance appraisals and the other factors mentioned clarifying objectives, attitudes, service, a good team spirit, and management support to staff as well as skills. The latter, however, are not seen as central in achieving objectives, because, as explained by LM2, they can be taught.

"I'd say ... skills are not important, because they can be trained easily. I'd say attitude and service is the main thing. Anyone can be trained in-house for a time how to do this, how to do that, whereas having the right way in dealing with it, I mean they're dealing with customers 24 hours a day, and I would definitely go for the attitude and service has got to be the main thing. The people can be trained to do anything and everything, as long as they have the basics and the basics is common sense."

Another factor helping goal achievement was "support more than anything and guidance".

Also important was a good work atmosphere and team spirit:

"I would say the staff I think we are quite a close team here, there is not a managerial staffing ... there is to a certain degree, but there is a very good team spirit and I think that's very important. So I think the staff here they can have fun, but also have fun with the management and also in that respect if they have any problems at all they can turn to us."

Recruitment and selection had previously been poor resulting in bad staff quality particularly in the bars:

"I think there is a habit of you know, one got two arms, two legs, right OK, we do it, but we're looking more at the standard. So, you have to look and see what kind of standard they have, the presentation of people is very important."

"When I came last September as in one of the bars they had terrible staff and certainly now with following that procedure is actually one of the best departments now, staff-wise. So I think that's where that's quite positively shines through."

Now there is a clear idea about qualities sought when selecting staff:

"We are looking for someone smiley, we're looking for, you know, the presentation to be right, and then that's what we would go and look for in the person that we interview. So rather than the person will be ideal, they may not be ideal for that position."

Apart from clarifying selection criteria, the validity of the technique has also been improved:

"They were what you thought they were, cause you were really asking the right questions."

"And we have to check on all references as well. We do an induction day as well which helps tremendously following all that through."

Bad staff quality can also much disruption and costs as illustrated by an example. A chef had hired a kitchen porter without a conscientious recruitment approach who turned out to be violent, attacked a duty manager and it took one year to finally be able to dismiss him. The new approach to recruitment would have prevented this from occurring.

"That was probably one of them, two arms, two legs, seemed OK, right OK, let's in desperation take him on."

"Maybe to practice what he was taught with recruitment and selection it would never have happened. Certainly looking more on the background, the references etc., it would never have happened."

"Certainly if he'd followed that, the recruitment and selection maybe it would never have got to that stage."

However, despite progress in this area and positive effects on staff quality, there is an inherent danger to reduce the sophistication of recruitment and selection. Unpredictable and unstable market demand calls for numerical flexibility of staff which in turn requires the use of part-time and casual staff. Hence, recruitment quality can be compromised:

"Sometimes what you're finding is the heads of departments, in desperation, because you have to get someone in that position, they take the first person."

The reliance on part-time staff contributes to high turnover:

"They're moving away from university and we have a high turnover of staff then and a high turnover of part-time and casual staff."

Other contributing factors to turnover are long-term staff leaving as they seek change, but LM2 emphasises that the main component of turnover is made up by casual and student employees motivated mainly by the money and pursuing their chosen careers or leaving the city.

The hotel industry employment conditions characterised by low pay and inconvenient working hours has effects on turnover and staffing levels as it reduces interest of employees to work in the sector:

"What makes it uninteresting to people is the unsocial times and the low rate of pay."

"Basically, pay is always gonna be an issue and I think that's not gonna change in hotels."

The reason for the latter lies in the budgeting procedures and wage rates set centrally by the group.

"So what we have is the wage rate and that's it – we have it throughout the company and we should accept it."

"We have no control over that, because obviously we have a budget set and we can't decide let's pay five pounds an hour."

Improvements were made, however, in that straight shifts were replacing traditional split shifts, thus making working hours less unsociable.

The labour market competition from better paying restaurants, supermarkets and particularly call centres has a negative effect on staffing levels and turnover as "We lose a lot of people to these sort of places as well."

Ironically, the rising minimum wage is seen as beneficial as the pay gap between the hotel and the competitors is thus reduced.

"The minimum wage rate in September I think it is is going up to 4.40 pounds an hour. That's gonna be more of a help to us as well, we're at 3.90 at the moment an hour."

The loss of staff is not quite as crucial, though, as is the lack of acquisition of staff.

"Staff retention here doesn't seem too bad."

"The trouble is, we don't really get the volume of people looking for work than anything else."

There are contradictory statements in the interview regarding staffing levels which overall may be regarded as adequate as no particular problem is elaborated anywhere, yet, there are temporary problems as the occasional neglect of recruitment policies by desperate managers seeking staff described above illustrates.

"My staffing level I would say had been excellent since I came."
"I mean, certainly, in any hotel we have problems as in short-staffing."

Effects of high turnover are continuous recruitment activity ("Recruitment is ongoing all the time."), financial costs and low staff morale in the case of managerial turnover:

"I'd had probably said that we don't spend enough investment, enough money into training and enough investment into recruitment and enough ... it usually all comes down to money, doesn't it. But I think in the long run if they invested well into it, the long term they wouldn't have such a high turnover of staff which will then cut the costs anyway."

"What can happen is when you have a turnover of management and anything else in the hotel, a lot of unsettlement and morale can go low."

Already introduced is one way of reducing turnover, i.e. increased investment in HR. In addition, HR planning and internal promotion opportunities can increase staff commitment to a career in the hotel which then reduces turnover.

Despite the bad pay and bad reputation of the hotel industry, LM2 sees a potential opportunity in fast promotion opportunities also characteristic of the industry which should be used to advertise employment in the hotel better.

The company is making progress in terms of investment in HRM. Two years ago

"I had probably said that we don't spend enough investment, enough money into training and enough investment into recruitment."

"I think certainly now they are going the right road, the company and there is still a long way to go."

Previously, there was a yearly training plan and only one opportunity per year to send staff on training whereas now there are courses quarterly or semi-yearly and training is more utilised than before. Also, HR resources in delivering training courses have been improved.

The role of the HR function has changed to the better and is regarded as "very beneficial" through advice on legal issues, sickness management to reduce absenteeism in conjunction with the operations manager and "ensuring the heads of departments are following the right procedures in recruitment and selection and also in checking training and running training courses."

D 3.3.1: LM1 data from Red

LM1 joined hotel Red in March 2000, during a time when the hotel underwent major organisational changes. The previous three star hotel had been bought by another group and was to be transformed into a four-star deluxe hotel.

The changes were threefold: firstly, there were significant physical changes and major refurbishment in all areas. The refurbishment was done in stages with different sections being closed at different times, but with the hotel always being open. Secondly, the departmental and management structure changed as new departments were created and others completely changed, e.g. a proper restaurant to be used by residents and non-residents alike replaced a smaller restaurant in a function room that was used for residents almost exclusively; also, the previously small conservatory was refurbished and extended. Thirdly, the overall standards had to change from the previous level to four-star deluxe level.

All three areas of change had major implications. The physical changes through the refurbishment caused discomfort to both staff and customers. The objective was "to make the operational side as smooth as possible." This required much communication as changes occurred quickly and unexpectedly and both staff as well as customers needed to be informed.

"Basically it was information, communication between staff, management and guests."
"Communication was probably the main part of my assignment."

The staff contribution during the refurbishment stage of the hotel was to cope with the constant change:

"The staff was essential for the whole process and at the same time was we knew that it was going to be very difficult for them to accommodate to the new constant, the new changes, because as I said before, every day we had new procedures, new items, new equipment."

Overall, staff responded well to the challenges:

"The staff was great about with that. They were very friendly, the people were quite happy, the customers were quite happy. At the same time they were very patient, you know, they had to be patient towards the managers or the colleagues, because they had a lot of pressure all the time."

After the main refurbishment work had been done, the next task was to elevate the standards to four-star deluxe standards. Then the behaviours required during the earlier stage did not suffice any longer. The standards needed to be clarified and staff adequately trained.

"After that, it was different. Because after that was where they had to realise or they had to understand what we wanted. It wasn't just a question of behaviour, it was a

question of accepting the new procedures and take them and put them in practice. So, training was very important. You have to train them to be able to do it."

As the new brand aims to be fully operational and prepared in 2002, this process must be regarded as ongoing. For example, the restaurant wine list changed three times in a year, requiring frequent management updates and staff retraining. With this limitation in mind, "I think it's more or less achieved."

The physical changes were accompanied by changes in the departmental structures and management of the hotel. Previous procedures and structures were no longer appropriate or applicable. The general manager to whom previously almost all the department heads reported delegated half of the reporting duties to the deputy general manager. New outlets required new rotas and it had been recognised that the previous payroll management was not efficient enough. An example is given for the previous restaurant which was primarily for residents, hence there was a predictable staffing level. Nevertheless, too many people were employed and inefficiently used, illustrating the need for cost-minimising payroll management. After the refurbishment the restaurant had 100% more seats than before and was targeting non-residents, making predictions more difficult. This further emphasised by the need for numerical flexibility characteristic of the business.

"So what you do is you think, ok, if I put 3 people and we get busy, I think we will cover. However, sometimes you come in, since it is a prediction, you can't guarantee what is going to happen. So, what you do is if the business is not as good as what we expected, then what you do is you send someone home, and what happens is that only two people work that night and you reduce the cost, in relation to what you earn, the revenue."

Staffing levels have been inadequate during and after the refurbishment. As many sections were closed, there was overstaffing. Later, new food and beverage outlets were unexpectedly successful due to a novelty effect as well as seasonally high demand (also labour market demand for staff) resulting in understaffing:

"It was very very busy during the summer and we were understaffed. That was very very critical."
"So they suffered a lot, because we were understaffed sometime."

The result of these staff shortages was work intensification as staff needed to work harder and managers needed to work operationally which in turn meant that they could not use their time to plan strategically ahead leading to wrong decisions at times.

Staff shortages were not only influenced by the shortage of labour in the local labour market, but also by high staff turnover. Long-term staff at the hotel had certain preconceptions about the hotel and the work standards and some were resisting change which led to increased turnover.

"You know they had an idea of what it was before and they needed to change to what it was going to be. And that was very very difficult, but actually it went well. People didn't like it then decided to leave, others we saw that they didn't want to change. So we had to do something about it."

Such induced turnover exacerbated the difficult situation as staff shortages became even more evident and work was intensified as colleagues needed to cover the gaps during until new successful recruitment.

"When someone leaves then normally you have like a period of a week or two weeks in order to replace that person."

Turnover itself is influenced by several factors, particularly hotel industry employment characteristics.

"Minimise turnover? Ok, wages. That's probably ... I mean, it's not the only aspect, money is sometimes not the most important thing. However, the tourism industry in general is underpaid."

Also, the industry is characterised by a lack of experienced professional staff making it difficult to cope with staff shortages as inexperienced staff have to be hired and trained which indirectly contributes to work intensification even further.

"So it's very very difficult to combine work and training at the same time, because most of the time it's training on the job and when you are understaffed you have the pressure of a new hotel, a new business. It was very difficult, you had to be very patient in order to train people to changes, constant changes in the department. I think that was a very very stressful and ... it lots of you in order to be able to keep up."

The respondent offers an explanation for the employment conditions in the industry:

"At the same time, there is another aspect that this profession is not taken as serious as it should be and that's why it is underpaid. There is like a vicious circle."

The conditions in the UK hotel industry are contrasted with those in continental Europe which are characterised by a stronger professionalism and years of training for jobs that are performed by casual staff in the UK.

Although pay is seen by LM1 as a major factor for the turnover and employment conditions in the industry, it is seen as unchangeable as higher pay cannot be afforded by the hotel.

"I mean, wages is something we can't or I can't change. Or I could say, well, we could improve it, but it's very difficult, because normally there is like a check with other hotels what they pay and you do exactly what the other hotels do."

There is no possibility to increase pay by one pound: "That means that the cost is massive."

Lower wages can also ease the financial implications of unpredicted bad business.

"If we have people who are not so good but they are able to do the job and we are not doing so well with business and we can always overcome that."

However, there are ways apart from financial rewards to counter the negative effects of the hotel industry employment characteristics:

"But what becomes important there is motivation, praise, you know, it explains, that how you solve that."
"You need to know your staff point of view, because you need to know what they think."

Employee Relations and communication helped identify problems, to assure staff of management support and managed to establish trust between staff and management through informal meetings and access to information not available through formal channels:

"It made a difference because it was very good because I think we broke the barrier between managers and staff and I can't talk about what happened before, because I wasn't here. But at least that was my way of doing things. And so, I think they were at ease when they talked to me and they could tell me what they think, what they thought of things and that happens now as well. I mean if we have a departmental meeting where everybody is there and then you are probably a little more scared of what you say, they don't have any problem, because they know that ... all of us are at the same level at least you know in order to talk about the department."

"Once a month you had a staff meeting, so that was the whole department, and weekly what you did, sometimes you have like a in a very informal way you talk to them and you after service you sat with them for a little while and you ask how it did go today and what do you think about that, and you know, it was very important just to have them to make sure you were at the same level as them, it will make them understand that you are prepared and supporting them. Because you realised that they were under a lot of pressure, with all the changes and everything. So they needed to understand that you were there for them and they had your support."

When discussing about turnover reduction, LM1 suggested the interesting work organisation, promotion opportunities and training and development opportunities, e.g.:

"At the same time you have to make them that the job is interesting. So you have to give them new things in order to learn. Staff they want to learn more things, they want to go further, they want to go up the ladder, so they want to learn more."

The foot and mouth crisis 2001 had a negative impact on organisational performance due to many cancellations from the important US market, but not on LM1's departments which rely strongly on the local market and experienced a high demand.

Finally, the HR function contributes mainly on an operational level by preparing good reports about applicants after an initial HR interview as well as support for disciplinary issues:

The HR manager "can give you a proper report, a good report of that person" and

"At the same time, if you had a problem with the staff like insubordination or these things happen in hotels, you have people who are not happy and then the ... they just they are troublemakers. And you also have the support of [the HR manager, M.E.] in order to give to deal with it."

Overall, the department has provided valuable support:

"The truth to be honest has been very very good. You always have them available, I mean that's something you know they will always with you. And if you had a problem they would always supporting you."

"I think the funny thing is ... you always see human resources as some ... people they don't seem to do anything, but actually they are like with you and they try to make sure that everything is working OK."

D 3.3.2: LM2 data from Red

LM2 has been with the hotel sales function for six years, four of which as sales manager.

There have been two waves of refurbishment in the hotel, the first in 1995/1996, the second in 2000. After the first wave, the major objectives have been "to change the business mix of the hotel in response to the refurbishment".

"It wasn't a question of replacing this, it was just generally the mix and what we did take and concentrating more on corporate business throughout the way."

Other objectives included "working with preconceptions of the hotel as it was before and as it is now." and to cope with the "increased competition within the city." LM2 clarifies that "The problems wouldn't have been staffing problems."

The staffing levels have been adequate throughout, but the structure was not ideal.

"So, although I had enough bodies in the past, I didn't feel the structure was right. So we made structural changes now."

To promote business objectives, the previously unfocused training became more oriented towards promoting revenue generation:

"The training has become more revenue led in that, yes, we still go and make the training structure with health and safety, fire and all that, but we are seeing training courses now that are more tailored more directly towards profit, so we see more training courses in regards to upselling, key behavioural skills, service excellence, and things that you can actually trace down to the bottom line, whereas five years ago it didn't really relate quite so much to making money."

The structure itself changed and new roles were introduced as a response to the second wave of refurbishment, all of them only weeks before the interview. The role of a revenue manager was created:

"She's really looking after short-term tactical offers and she really measures any peaks and troughs that are half-way, she is looking at what's happening in the city, the local mix."

Reflecting the stronger focus on corporate business, a corporate sales manager role was established who "just looks after the corporate segment". For this role, an experienced person was recruited "someone who hit the ground running, just coming into the hotel and just do it."

In addition, there is now a new role of guest relations officer.

"The guest relations role is a very new role for us and I felt we need this to recognise that although we were concentrating heavily on people who book bedrooms or manage travel programmes, we weren't actually doing very much with our customers themselves. So there is a strange area that ideally we want every traveller who comes

here to go back to request this hotel the next time they're here and not leave it to a travel manager. So, hence we would be able to move someone to a guest relations role about 6 weeks ago."

"So, while he is checking them in in their room, he is asking them questions, how long are you here for and what can we do ... he is actually making contact with those customers, they've got a point of contact in the hotel, but at the same time he is actually finding out more information for the sales point of view."

As mentioned before, the sales department did not experience turnover or staffing problems and the respondent attributes this to the fact that unlike in other hotel departments, the sales function is staffed with full-time employees. The employment of these people is regarded as a vocation rather than job as elsewhere in the hotel.

"I really don't find that so much, because at the end of the day, if you run a restaurant or a food and beverage outlet, and you are relying more on part-time people"

For part-time employees

"it's not their actual vocation, it's like a part time work. Whereas I don't have any part-timers, I have all full-timers. So, but the very nature of that, when you are in a full-time position constant training ... if it's not their vocation, then certainly it's something you'd take on for more than 12 months usually."

A shortage of adequate sales employees, in contrast to other hotel positions, is not apparent for LM2: "I don't find that certainly."

Staff qualities required are not necessarily previous experience, although the above example of the corporate sales manager illustrated a position where experience was in fact required. Lack of experience can be beneficial:

"Sometimes it's better to take someone one at random who doesn't have the sales experience somewhere else. If one doesn't have any preconceived ideas of how to do things and it really is about the person's personality."

The personality required is one that can easily relate to people at all levels, can entertain, can close the business and fits with the client base:

"They may need to communicate with just a basic secretary in a company who has 10 night bookings a year right up to director level or perhaps a director of an agency with many millions of pounds per year, so you need to be able to not be intimidated."

"I have to think, well, this ... I know my client, I know what my clients look for and what they respond to. And if a candidate was displaying the personality that I think is gonna fit with our client base than that is more important to me than someone who has done this job somewhere else."

"Somebody who has a good sense of fun, so that you can entertain clients, someone who is a finisher. Because at the end of the day you want to close the business, you

want to get the business, so ... you want someone who is actually going to finish the job, you want somebody who want to get the sales."

Such staff is essential for the achievement of the objectives.

"Sales is a little bit different I think to other departments in that when you're selling something, you're really selling yourself. In a selling position, it's a 100% people."

"No, by its very nature, discipline has always been at a very high level. It is about people, therefore the success or failure of a sales department really is about the people, it's not about systems that you may have in place, it's not about the structure of things that you might have."

The way staff contributed to the achievement of objectives is mainly through commitment to the job. Sales and negotiation skills are beneficial, but

"I think the commitment came first. And as a sales person you need to be very committed, so whatever you're selling and generally, sales people in hotels tend to be very committed people, because you do have to work very long hours, you do have to travel a lot."

In addition, flexibility and adaptability are essential:

"One who is physically adaptable, because we have got quite a diverse team. And because although we are a very proactive department, we are the first point of contact for a lot of clients ... And then, I also look for flexibility of thoughts as well."

"Certainly the objectives have been achieved."

Finally, the role of the HR function is to be highlighted. The respondent regards the communication with the HR department as good and attributes this to the relatively small size of the hotel which allows for easy communication. The contribution of the HR department is mainly through its involvement in recruitment and selection.

"It is a skilled discipline and there are even things as interviewing selection, you know the human resources function ... is that affected they actually saving time for the rest of the departments, because they're actually doing that first interview and then they come to me and ... I think it is very useful and I think it is essential that you have one."

"I don't think you couldn't run the hotel, you couldn't run anything without the human resources department."

D 3.4: LM data from Yellow

The respondent joined the organisation in January 2000 as marketing and sales director. This organisation is responsible for marketing and sales for the Yellow hotels in the Glasgow area and receives a results-independent fee for its services. From August 2001, when the research interview was conducted, there was a move towards diversification into sales training and hotel consultancy provision.

When the respondent started her assignment, her major objective was "to increase the volume of business that we were handling and to bring a better sales result to the hotels that we look after." To achieve this the problem of low staff motivation and lack of focus had to be overcome.

"I had to change how people were working."
"They had to be motivated when I came."
"I found they weren't as accountable as I would like them to be, and I don't think they were as focused as they needed to be."

There were attempts to develop and train staff, but the staff left subsequently.

"As a matter of fact, two of them moved on, because they got jobs that pay more money. I think they were motivated to look for another job, because they didn't like the changes in particular that I had put in. And one left because she didn't like being accountable at all. So, we didn't ... they all left in their own good time for their own good reasons, they weren't pushed."

A new team had to be recruited which proved difficult as

"There is a shortage of good salespeople within Scotland anyway, I would say. But also, this is a very small company and it's not really seen as a very structured career move to leave a large hotel group to join this small company."

Eventually, these difficulties were overcome by recruiting people who previously worked with the interviewee in a large organisation. Thus, techniques of recruitment and selection were not a concern. "The three people who work with me now, worked with me before. So they're not unknown to me." One additional person was recruited for administrative purposes. However, this person had "No organisational ability at all". Her weaknesses which appeared later were not uncovered in the selection interview.

"I made a mistake with her."
"Because I guess I didn't get in the interview that the organisational skills were poor. And given the job that she'd held in a previous role I would have expected her organisational skills to be better."

However, an undesirable and unanticipated situation arose by losing a client account resulting in negative economic consequences which required the redundancy of one person. This opportunity was used to make the administrative employee redundant.

"I'm quite strong about this, it was an opportunity actually to let this person go, because this person wasn't right."

"I also have to say that this post is crucial and the individual that we had wasn't the right person."

As this position is regarded was crucial, but not occupied, work pressures were intensified:

"I couldn't afford to keep my office person on, which is why we're all panicking here, because I have no-one to answer the phone and do the admin."

The previous colleagues recruited joined the much smaller organisation with less developmental opportunities for similar reasons, i.e. the desire to change their life-style and have more time for their families.

"Well, we all worked for large companies before and we all find we all have family, well, three out of four of us have children, and working and staying away from home two or three nights a week doesn't work well with having a family. And working through this organisation means that none of us have to make that time commitment. We all go home at six."

"This is a very small company and it's not really seen as a very structured career move to leave a large hotel group to join this small company. So, all of us who work in this company do so because we wanted a life-style change, and we're quite clear on that."

As "they're all mature" there is "very little need really at any time to assert any authority." The team members have different strengths in different market segments crucial to successful sales in the hotel industry making multi-skilling desirable. An informal learning style is mostly adopted.

"Well, training and development is really important. And we do here on- and off-the job training. And we have had new employees that we have done on-the-job training with. Because this company, this little sales organisation works best if everybody's multi-skilled. We all have to ... everybody's learning including myself."

"It tends to be quite informal as opposed to formalised training. It's not recorded necessarily."

The work organisation is much more varied and allows for higher discretion compared with the previous large employer and offers predictable and family-friendly working hours which made employment there interesting to the new team.

"The work organisation is probably important in here, because each of us joined ... we left a large organisation to be part of a small organisation that we could build."

"You know the degree of task variety, the degree of discretion, teamwork ... this is all important to us because we left a very formalised organisation to do something which we felt was more personal to add something we could really contribute to. This is important to us, but it is not necessarily to everybody."

However, it was crucial to have clear terms and conditions in place to state all employment relevant issues.

"When you bring people from a large company into a small company they have an expectation is the word I'm looking for, because large corporate companies have all these things, basically, so you have to have contracts of employment and terms and condition, your fixed holiday dates, public holidays, all these things are very important and they have to be in black and white and you have to communicate it to people that … because it is an expectation, you can't be airy-fairy about these things."

Training and development was important for the respondent, apart from the above mentioned issues, for receiving training in performance appraisal and provided a good opportunity to get to know other heads of department in the partner company. Performance appraisal is another HR policy whose direct use for employee management is not elaborated on, but which nevertheless is regarded as important:

"I think if we want to be taken seriously as a company in our own right, we have to … there are certain things we should conform to and that's one of the things."

Also IIP has a similar effect:

"I think that that was important for us, because it's quite a new concept in what we do and it helps me to go out and sell the company to hotels."

An HR department was established in February 2000 which is regarded as beneficial. On a scale up to five the respondent assigned

"Probably a four. I think what you've got to remember is that when I called upon it and had to use it as a support it probably achieved a five actually."

"I think the major change was actually having a department to be frank. That was the major change, we didn't have one before. So, everything's changed since we actually set up the department. And you know, there are formal procedures and we have job application forms, we have reference collection, letters you know, everything is as it should be. And it wasn't there at all at the beginning."

The new HR manager put many HR policies in place, including appraisals, training provision and delivery, terms and conditions and also proved very helpful when having to dismiss the administrative assistant.

"To carry that out to make sure that one Katie wasn't distraught about it and two that from the company's point of view that I did it properly. She was very supportive and we all talked it through. That is not a nice thing to have to do, and she was very helpful with that. And also with the appraisals."

The new team managed to achieve better results:

"I think we probably provide better sales for our client hotels, better quality of sales and I think we have got some good results for them. What we haven't done successfully as yet, is develop the company."

"I think that the team work very hard, in fact I think we probably over-deliver."

"I think, we achieved more with our new team than we did previous year over the period of time when we had the old team into the new team. We achieved more in the last 12 months than we did prior to that."

Appendix E: Economic environment

E 1: Exchange rates of pound sterling against major currencies

Yearly exchange rates 1992-2001. Calculated from daily figures from **www.OANDA.com**

	USD/GBP	DM/GBP	FFr/GBP	EUR/GBP
1992	0.56989	0.36523	0.10777	
1993	0.66630	0.40304	0.11773	
1994	0.65357	0.40328	0.11788	
1995	0.63377	0.44276	0.12712	
1996	0.64105	0.42627	0.12542	
1997	0.61060	0.35270	0.10485	
1998	0.60370	0.34349	0.10252	
1999	0.61854	0.33719	0.10054	0.65949
2000	0.66087	0.31183	0.09298	0.60988
2001	0.69434	0.31816	0.09486	0.62226

Changes with 1992 = 100% were calculated (base year for the euro is 1999)

	USD/GBP	DM/GBP	FFr/GBP	EUR/GBP
1992	100%	100%	100%	
1993	116.9%	110.4%	109.2%	
1994	114.7%	110.4%	109.4%	
1995	111.2%	121.2%	118.0%	
1996	112.5%	116.7%	116.4%	
1997	107.1%	96.6%	97.3%	
1998	105.9%	94.0%	95.1%	
1999	108.5%	92.3%	93.3%	100%
2000	116.0%	85.4%	86.3%	92.5%
2001	121.8%	87.1%	88.0%	94.4%

E2: Economic environment Glasgow (SCBS data) – unpublished data from 1997-2001, published data for 1996

Year	Q	optimism on quarter	optimism on year	capacity used	total demand	trend turnover	trend costs	average room rate	total employmt	ft employmt	pt employmt	temp employmt	overtime
1996	1	27.3	45.4	61.0	13.6	n.a.	n.a.	n.a.	-18.2	-5.0	-10.5	-30.8	-21.1
	2	50.0	50.0	80.8	62.5	61.5	12.5	n.a.	6.7	n.a.	n.a.	n.a.	0.0
	3	45.4	55.6	75.5	54.5	75.0	18.2	n.a.	63.6	n.a.	n.a.	n.a.	16.7
	4	35.0	36.9	58.2	25.0	35.3	35.0	n.a.	25.0	n.a.	n.a.	n.a.	6.7
Total		39.4	47.0	68.9	38.9	57.3	21.9	n.a.	19.3	n.a.	n.a.	n.a.	0.6
1997	1	7.7	0.0	69.3	33.3	38.5	30.8	n.a.	9.1	9.1	9.1	-25.0	0.0
	2	0.0	28.6	75.1	-42.8	-28.6	0.0	n.a.	-28.6	-28.6	0.0	14.3	-50.0
	3	66.7	50.0	87.0	50.0	83.3	16.7	66.7	-20.0	0.0	20.0	25.0	0.0
	4	0.0	0.0	66.8	100.0	100.0	40.0	80.0	0.0	-25.0	0.0	0.0	0.0
Total		18.6	19.7	74.6	35.1	48.3	21.9	73.4	-9.9	-11.1	-7.3	3.6	-12.5
1998	1	-50.0	-33.3	66.8	-80.0	-50.0	0.0	50.0	-66.7	-66.7	-50.0	-33.3	-66.7
	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	3	-20.0	0.0	77.6	-40.0	-20.0	-20.0	0.0	0.0	-25.0	25.0	75.0	33.3
	4	20.0	60.0	62.5	80.0	80.0	20.0	60.0	40.0	20.0	75.0	0.0	40.0
Total		-16.7	8.9	69.0	-13.3	3.3	0.0	36.7	-8.9	-23.9	16.7	13.9	2.2
1999	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2	0.0	0.0	87.3	100.0	-75.0	50.0	50.0	0.0	0.0	50.0	50.0	-25.0
	3	25.0	25.0	81.3	75.0	75.0	50.0	25.0	0.0	50.0	25.0	-25.0	0.0
	4	-50.0	0.0	76.7	25.0	-25.0	-50.0	-25.0	0.0	-25.0	25.0	33.3	0.0
Total		-8.3	8.3	81.8	66.7	-8.3	16.7	16.7	0.0	8.3	33.3	19.4	-8.3
2000	1	20.0	-20.0	49.6	-100.0	-60.0	20.0	-80.0	0.0	-20.0	-60.0	0.0	-60.0
	2	0.0	0.0	87.3	100.0	100.0	50.0	50.0	0.0	0.0	50.0	50.0	-25.0
	3	-66.7	-33.3	70.0	-100.0	33.3	-33.3	-33.3	-33.3	-33.3	33.3	-100.0	-33.3
	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total		-15.6	-17.8	69.0	-33.3	24.4	12.2	-21.1	-11.1	-17.8	7.8	-16.7	-39.4
2001	1	16.7	-16.7	69.0	50.0	0.0	66.7	33.3	16.7	16.7	0.0	-33.3	33.3
	2	-33.3	-60.0	75.0	-16.7	-33.3	0.0	-16.7	-16.7	-16.7	0.0	-40.0	-33.3
	3	-83.3	-83.3	75.3	-16.7	-16.7	33.3	33.3	40.0	0.0	20.0	-25.0	-75.0
Total		-33.3	-53.3	73.1	5.5	-16.7	33.3	16.6	13.3	0.0	6.7	-32.8	-25.0

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Year	Q	trend in training	Recruited in last quarter	trend recruitment difficulties	difficulties recruiting suitable employees	problems retaining staff	increased salaries	average increase in salaries
1996	1	42.9	63.6	7.2	46.2	27.3	31.8	5.8
	2	46.2	84.6	16.7	66.7	23.1	53.8	3.4
	3	12.5	100.0	0.0	62.5	12.5	12.5	3.0
	4	33.3	80.0	27.3	75.0	33.3	33.3	4.7
Total		33.7	82.1	12.8	62.6	24.1	32.9	4.2
1997	1	38.5	69.2	33.3	88.9	15.4	38.5	4.7
	2	42.9	85.7	0.0	66.7	14.3	57.1	3.6
	3	33.3	66.7	75.0	100.0	40.0	33.3	6.5
	4	60.0	80.0	-50.0	25.0	40.0	40.0	9.5
Total		43.7	75.4	14.6	70.2	27.4	42.2	6.1
1998	1	50.0	83.3	33.3	80.0	0.0	16.7	5.0
	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	3	0.0	100.0	0.0	50.0	25.0	40.0	4.1
	4	60.0	100.0	20.0	60.0	40.0	20.0	4.0
Total		36.7	94.4	17.8	63.3	21.7	25.6	4.4
1999	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2	25.0	100.0	25.0	25.0	0.0	50.0	3.0
	3	25.0	100.0	0.0	25.0	0.0	25.0	4.0
	4	50.0	100.0	50.0	50.0	25.0	25.0	12.5
Total		33.3	100.0	25.0	33.3	8.3	33.3	6.5
2000	1	80.0	80.0	50.0	75.0	20.0	20.0	5.0
	2	25.0	100.0	25.0	25.0	0.0	50.0	3.0
	3	66.7	66.7	33.3	50.0	100.0	0.0	n.a.
	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total		57.2	82.2	36.1	50.0	40.0	23.3	4.0
2001	1	16.7	83.3	80.0	80.0	66.7	16.7	2.8
	2	33.3	83.3	16.7	60.0	60.0	33.3	5.0
	3	-16.7	100.0	33.3	100.0	60.0	16.7	4.0
Total		11.1	88.9	43.3	80.0	62.2	22.2	3.9

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Year	Q	lack of demand	Weather	price competition	influence of tour operators	insufficient space	poor business trade	labour shortages	high exchange rate	other
1996	1	30.0	0.0	0.0	20.0	35.0	0.0	0.0	0.0	15.0
	2	33.3	16.7	0.0	16.7	25.0	0.0	0.0	0.0	8.3
	3	66.7	22.2	11.1	0.0	0.0	0.0	0.0	0.0	0.0
	4	43.8	25.0	18.8	0.0	6.3	6.3	0.0	0.0	0.0
Total		**43.5**	**16.0**	**7.5**	**9.2**	**16.6**	**1.6**	**0.0**	**0.0**	**5.8**
1997	1	8.3	8.3	16.7	8.3	25.0	16.7	0.0	16.7	0.0
	2	33.3	0.0	16.7	0.0	16.7	0.0	16.7	16.7	0.0
	3	25.0	0.0	50.0	0.0	25.0	0.0	0.0	0.0	0.0
	4	40.0	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0
Total		**26.7**	**2.1**	**35.9**	**2.1**	**16.7**	**4.2**	**4.2**	**8.4**	**0.0**
1998	1	50.0	0.0	25.0	25.0	0.0	0.0	0.0	0.0	0.0
	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	3	20.0	20.0	20.0	0.0	0.0	0.0	0.0	40.0	0.0
	4	25.0	0.0	0.0	0.0	25.0	50.0	0.0	0.0	0.0
Total		**31.7**	**6.7**	**15.0**	**8.3**	**8.3**	**16.7**	**0.0**	**13.3**	**0.0**
1999	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2	0.0	25.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	33.3	0.0	33.3	0.0	33.3	0.0	0.0	0.0	0.0
	4	25.0	0.0	25.0	0.0	25.0	25.0	0.0	0.0	0.0
Total		**19.4**	**8.3**	**44.4**	**0.0**	**19.4**	**8.3**	**0.0**	**0.0**	**0.0**
2000	1	33.3	0.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0
	2	0.0	25.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0
	3	33.3	0.0	33.3	0.0	0.0	0.0	0.0	33.3	0.0
	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total		**22.2**	**8.3**	**58.3**	**0.0**	**0.0**	**0.0**	**0.0**	**11.1**	**0.0**
2001	1	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0	60.0
	2	50.0	0.0	25.0	0.0	0.0	0.0	0.0	25.0	0.0
	3	20.0	0.0	20.0	0.0	0.0	20.0	0.0	0.0	40.0
Total		**23.3**	**0.0**	**15.0**	**0.0**	**6.7**	**13.3**	**0.0**	**8.3**	**33.3**

Year	Q	recruitment difficulties managers	recruitment difficulties clerical/admin	recruitment difficulties chefs/cooks	recruitment difficulties other manual	recruitment difficulties part-time staff	recruitment difficulties temp staff	recruitment difficulties young workers
1996	1	22.7	13.6	22.7	9.1	13.6	0.0	9.1
	2	38.5	15.4	38.5	0.0	23.1	0.0	7.7
	3	12.5	12.5	50.0	12.5	0.0	0.0	0.0
	4	20.0	13.3	20.0	13.3	13.3	6.7	13.3
Total		23.4	13.7	32.8	8.7	12.5	1.7	7.5
1997	1	23.1	15.4	23.1	38.5	15.4	7.7	0.0
	2	28.6	57.1	42.9	42.9	14.3	0.0	0.0
	3	33.3	33.3	50.0	33.3	0.0	0.0	16.7
	4	20.0	20.0	20.0	20.0	0.0	0.0	0.0
Total		26.3	31.5	34.0	33.7	7.4	1.9	4.2
1998	1	16.7	0.0	66.7	33.3	16.7	16.7	0.0
	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	3	60.0	40.0	40.0	40.0	20.0	0.0	0.0
	4	0.0	20.0	40.0	60.0	20.0	0.0	20.0
Total		25.6	20.0	48.9	44.4	18.9	5.6	6.7
1999	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	2	50.0	75.0	25.0	25.0	0.0	0.0	0.0
	3	25.0	25.0	50.0	50.0	25.0	25.0	25.0
	4	25.0	25.0	50.0	25.0	0.0	25.0	0.0
Total		33.3	41.7	41.7	33.3	8.3	16.7	8.3
2000	1	20.0	40.0	60.0	40.0	0.0	0.0	0.0
	2	50.0	75.0	25.0	25.0	0.0	0.0	0.0
	3	66.7	0.0	66.7	66.7	33.3	33.3	33.3
	4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total		45.6	38.3	50.6	43.9	11.1	11.1	11.1
2001	1	16.7	16.7	66.7	50.0	16.7	0.0	16.7
	2	66.7	33.3	66.7	50.0	16.7	40.0	20.0
	3	33.3	16.7	50.0	66.7	33.3	33.3	33.3
Total		38.9	22.2	61.1	55.6	22.2	24.4	23.3

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E3: Economic environment Scotland (SCBS data) – unpublished data from 1997-2001, published data for 1996

Year	Q	optimism on quarter	optimism on year	capacity used	total demand	trend turnover	trend costs	average room rate	total employmt	ft employmt	pt employmt	temp employmt	overtime
1996	1	25.9	37.8	60.9	18.5	n.a.	n.a.	n.a.	-2.5	-1.3	3.9	-10.0	-2.7
	2	43.6	60.0	81.2	55.5	71.7	43.3	n.a.	24.5	n.a.	n.a.	n.a.	14.3
	3	42.6	51.9	80.3	66.7	71.1	42.6	n.a.	44.4	n.a.	n.a.	n.a.	8.1
	4	15.6	43.6	59.4	50.0	63.3	35.9	n.a.	15.7	n.a.	n.a.	n.a.	4.9
Total		**31.9**	**48.3**	**70.5**	**47.7**	**68.7**	**40.6**	**n.a.**	**20.5**	**n.a.**	**n.a.**	**n.a.**	**6.2**
1997	1	21.7	17.3	61.6	32.1	36.3	29.8	n.a.	-4.7	1.6	-3.2	-9.2	-12.2
	2	16.9	11.6	75.4	20.0	31.8	28.6	n.a.	21.5	6.3	21.5	16.6	-4.1
	3	16.4	22.0	78.3	33.8	46.1	20.0	30.1	12.5	0.8	20.7	1.0	5.6
	4	1.0	2.8	57.1	33.7	37.8	22.3	22.0	-1.9	-10.0	-1.0	-1.1	-6.0
Total		**14.0**	**13.4**	**68.1**	**29.9**	**38.0**	**25.2**	**26.1**	**6.9**	**-0.3**	**9.5**	**1.8**	**-4.2**
1998	1	-1.6	4.5	54.9	10.0	8.5	22.5	18.8	-9.1	-9.3	-7.1	-10.0	-12.1
	2	-17.0	-12.7	71.7	0.0	-28.2	26.0	24.7	6.0	1.8	4.3	-4.0	-8.8
	3	-48.2	-44.6	70.8	-44.0	-23.0	10.8	2.1	-11.5	-12.4	-9.6	-21.7	-22.9
	4	-42.1	-34.1	51.8	-42.1	-27.3	20.1	-14.9	-31.1	-26.0	-22.4	-30.1	-29.6
Total		**-27.2**	**-21.7**	**62.3**	**-19.0**	**-17.5**	**19.9**	**7.7**	**-11.4**	**-11.5**	**-8.7**	**-16.5**	**-18.4**
1999	1	-15.0	-11.7	55.6	-27.9	-14.3	28.0	-7.7	-14.3	-19.0	-6.0	-18.0	-39.5
	2	-10.5	-13.7	71.7	-16.9	-1.6	33.1	5.8	-5.6	-7.7	1.6	1.1	-23.8
	3	-11.5	-15.5	73.2	-13.7	-0.8	27.6	-10.0	-8.4	-10.0	-7.1	-15.3	-15.4
	4	-19.8	-4.7	51.3	-20.0	-12.6	24.6	-25.6	-28.8	-21.2	-17.6	-26.8	-26.0
Total		**-14.2**	**-11.4**	**63.0**	**-19.6**	**-7.3**	**28.3**	**-9.4**	**-14.3**	**-14.5**	**-7.3**	**-14.8**	**-26.2**
2000	1	0.8	1.7	53.3	-17.9	-5.4	30.5	-21.9	-16.9	-9.1	-12.8	-18.1	-37.0
	2	-10.5	-13.7	71.4	-16.9	-1.6	33.1	5.8	-5.6	-7.4	1.6	1.1	-23.6
	3	-28.4	-20.9	72.0	-36.3	-6.1	35.7	-11.3	-16.3	-18.0	-7.3	-11.1	-19.3
	4	-13.9	-3.6	52.4	-18.8	7.5	25.7	-9.5	-7.5	-11.5	-5.7	-20.9	-28.6
Total		**-13.0**	**-9.1**	**62.3**	**-22.5**	**-1.4**	**31.3**	**-9.2**	**-11.6**	**-11.5**	**-6.1**	**-12.3**	**-27.1**
2001	1	-78.0	-69.0	56.7	-8.3	-16.1	38.4	-6.0	-15.3	-4.3	-17.9	-25.9	-38.5
	2	-18.9	-29.2	63.4	-39.8	-31.2	34.6	-18.0	-22.6	-24.8	-13.1	-19.0	-34.3
	3	-51.6	-58.9	67.3	-23.6	-7.7	34.1	-4.5	-18.7	-23.0	-23.0	-42.8	-27.3
Total		**-49.5**	**-52.4**	**62.5**	**-23.9**	**-18.3**	**35.7**	**-9.5**	**-18.9**	**-17.4**	**-18.0**	**-29.2**	**-33.4**

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Year	Q	trend in training	recruited in last quarter	trend recruitment difficulties	difficulties recruiting suitable employees	problems retaining staff	increased salaries	average increase in salaries
1996	1	49.0	70.7	3.5	44.8	22.5	28.8	4.2
	2	49.0	90.0	37.7	81.4	32.7	40.0	3.5
	3	45.2	85.4	16.7	76.5	17.9	22.0	5.8
	4	53.7	90.2	22.9	80.0	31.6	39.0	4.6
Total		**49.2**	**84.1**	**20.2**	**70.7**	**26.2**	**32.5**	**4.5**
1997	1	46.2	74.6	32.6	72.9	23.1	30.2	5.1
	2	37.2	87.6	35.7	74.8	31.1	47.7	5.4
	3	37.8	78.3	41.3	82.2	32.0	31.0	5.8
	4	50.9	71.7	25.0	66.7	26.3	32.1	4.6
Total		**43.0**	**78.1**	**33.7**	**74.2**	**28.1**	**35.3**	**5.2**
1998	1	45.4	76.7	40.6	82.7	26.0	24.4	6.0
	2	29.1	86.2	36.0	69.4	30.6	45.8	5.4
	3	19.3	79.4	44.1	80.9	26.1	31.4	5.7
	4	32.1	61.4	20.2	69.1	24.2	30.1	4.5
Total		**31.5**	**75.9**	**35.2**	**75.5**	**26.7**	**32.9**	**5.4**
1999	1	25.2	73.4	20.7	65.9	26.8	42.5	5.5
	2	18.7	85.5	39.2	75.7	33.9	46.8	5.3
	3	17.7	80.8	35.6	78.0	29.0	25.2	7.1
	4	21.9	61.3	28.8	72.1	24.3	27.4	5.3
Total		**20.9**	**75.3**	**31.1**	**72.9**	**28.5**	**35.5**	**5.8**
2000	1	31.6	75.4	32.6	67.4	30.4	27.1	4.8
	2	18.7	85.5	39.2	75.7	33.9	46.8	5.3
	3	23.1	82.9	40.3	72.1	37.5	27.4	4.5
	4	28.4	64.2	17.5	72.8	33.3	30.6	4.2
Total		**25.5**	**77.0**	**32.4**	**72.0**	**33.8**	**33.0**	**4.7**
2001	1	-1.0	66.0	21.1	66.7	31.8	27.0	4.4
	2	6.9	82.6	27.5	74.8	41.1	47.3	5.1
	3	5.5	82.6	14.1	83.1	43.8	57.6	6.2
Total		**3.8**	**77.1**	**20.9**	**74.9**	**38.9**	**44.0**	**5.2**

Year	Q	lack of demand	weather	price competition	influence of tour operators	insufficient space	poor business trade	labour shortages	high exchange rate	other
1996	1	40.6	0.0	0.0	28.1	21.6	0.0	1.6	0.0	8.1
	2	34.0	6.4	0.0	17.0	23.4	10.6	4.3	0.0	4.3
	3	54.0	10.0	16.0	0.0	16.0	4.0	0.0	0.0	0.0
	4	37.5	22.9	10.4	4.2	12.5	12.5	0.0	0.0	0.0
Total		41.5	9.8	6.6	12.3	18.4	6.8	1.5	0.0	3.1
1997	1	39.8	11.5	10.6	7.1	12.4	9.7	2.7	6.2	0.0
	2	38.1	8.8	12.4	8.0	19.5	3.5	2.7	7.1	0.0
	3	33.8	7.5	13.8	3.8	10.0	12.5	5.0	12.5	1.3
	4	34.3	17.6	13.7	2.0	3.9	18.6	1.0	8.8	0.0
Total		36.5	11.4	12.6	5.2	11.5	11.1	2.9	8.7	0.3
1998	1	34.0	10.7	17.5	4.9	4.9	6.8	1.9	18.4	1.0
	2	36.7	5.6	12.2	7.8	8.9	2.2	0.0	26.7	0.0
	3	60.5	10.9	6.2	3.1	0.8	10.9	0.8	7.0	0.0
	4	53.5	10.1	7.8	0.0	2.3	19.4	0.8	6.2	0.0
Total		46.2	9.3	10.9	4.0	4.2	9.8	0.9	14.6	0.3
1999	1	47.0	9.6	18.3	3.5	1.7	12.2	0.9	7.0	0.0
	2	47.9	12.4	13.2	1.7	3.3	11.6	0.0	9.9	0.0
	3	45.9	4.6	16.5	1.8	3.7	16.5	1.8	5.5	3.7
	4	42.6	11.9	20.8	0.0	2.0	18.8	0.0	4.0	0.0
Total		45.8	9.6	17.2	1.7	2.7	14.8	0.7	6.6	0.9
2000	1	43.4	9.7	18.6	0.9	2.7	15.9	0.0	8.8	0.0
	2	46.8	12.1	12.9	1.6	3.2	11.3	0.0	9.7	0.0
	3	46.2	6.0	16.2	1.7	1.7	9.4	0.0	11.1	0.0
	4	49.0	10.4	11.5	1.0	1.0	14.6	1.0	10.4	1.0
Total		46.4	9.6	14.8	1.3	2.2	12.8	0.3	10.0	0.3
2001	1	38.6	0.0	0.0	0.0	2.4	8.4	0.0	3.6	44.6
	2	66.7	1.0	4.2	4.2	1.0	5.2	1.0	7.3	9.4
	3	53.7	1.5	1.5	1.5	1.5	20.9	1.5	3.0	14.9
Total		53.0	0.8	1.9	2.7	1.6	11.5	0.8	4.6	23.0

Year	Q	recruitment difficulties managers	recruitment difficulties clerical/admin	recruitment difficulties chefs/cooks	recruitment difficulties other manual	recruitment difficulties part-time staff	recruitment difficulties temp staff	recruitment difficulties young workers
1996	1	17.3	7.5	20.7	7.4	17.3	2.5	13.8
	2	40.0	26.0	54.0	18.0	36.0	12.0	22.0
	3	31.7	17.1	34.1	22.0	29.3	14.6	19.5
	4	24.4	17.1	48.8	24.4	31.7	9.8	10.0
Total		28.4	16.9	39.4	18.0	28.6	9.7	16.3
1997	1	17.7	16.2	35.4	32.3	17.7	10.8	13.1
	2	23.3	23.3	52.7	45.7	27.1	20.2	17.8
	3	21.7	15.5	51.9	48.8	31.0	14.0	20.3
	4	27.4	21.7	44.3	33.0	22.6	14.2	17.9
Total		22.5	19.2	46.1	40.0	24.6	14.8	17.3
1998	1	24.8	13.7	48.1	44.4	23.3	12.1	15.2
	2	31.0	23.3	53.4	47.4	32.8	25.0	27.6
	3	24.1	20.6	51.8	41.4	22.0	13.5	16.3
	4	15.2	12.9	37.1	34.8	21.2	9.8	16.7
Total		23.8	17.6	47.6	42.0	24.8	15.1	19.0
1999	1	20.8	10.8	36.7	30.0	22.5	9.2	14.2
	2	23.4	22.6	52.4	40.3	28.2	21.8	19.4
	3	21.5	16.2	50.8	53.8	33.8	21.7	20.2
	4	25.5	17.9	34.0	30.2	14.2	13.2	11.3
Total		22.8	16.9	43.5	38.6	24.7	16.5	16.3
2000	1	27.1	14.4	39.8	39.0	21.2	7.6	14.4
	2	23.4	22.6	52.4	40.3	28.2	21.8	19.4
	3	28.2	17.9	52.1	51.3	35.0	25.6	31.6
	4	23.9	19.3	45.9	41.3	33.0	17.6	19.3
Total		25.7	18.6	47.6	43.0	29.4	18.2	21.2
2001	1	21.0	16.0	45.0	37.0	20.0	9.1	8.1
	2	25.0	21.2	56.8	56.1	23.5	23.7	17.6
	3	30.4	23.9	55.4	52.2	29.3	16.5	24.2
Total		25.5	20.4	52.4	48.4	24.3	16.4	16.6

E4: Employment data Scotland (LFS data) 1996 - 2000

Quarter Year	Total	Agriculture & fishing	% of total	Energy & water	% of total	Manufacturing	% of total	Construction	% of total	Services	% of total	Hotels and motels with restaurant	% of total	% of services
Q3 1996	2037418	31582	1.6%	51120	2.5%	373013	18.3%	134850	6.6%	1446853	71.0%	34642	1.7%	2.4%
Q4 1996	1852017	10718	0.6%	23442	1.3%	420349	22.7%	92942	5.0%	1304566	70.4%	20579	1.1%	1.6%
Q1 1997	2020412	23404	1.2%	53918	2.7%	374156	18.5%	119705	5.9%	1449229	71.7%			
Q2 1997	2033967	23793	1.2%	46368	2.3%	377272	18.5%	128659	6.3%	1457875	71.7%	31147	1.5%	2.1%
Q3 1997	2032650	21777	1.1%	52896	2.6%	377002	18.5%	123216	6.1%	1457759	71.7%	35551	1.7%	2.4%
Q4 1997	2042457	17625	0.9%	50919	2.5%	372034	18.2%	132261	6.5%	1469618	72.0%	29362	1.4%	2.0%
	2003154	21483	1.1%	46444	2.3%	382304	19.1%	121939	6.1%	1430983	71.4%	30256	1.5%	2.1%
Q1 1998	2086009	25379	1.2%	49272	2.4%	362999	17.4%	148940	7.1%	1499419	71.9%	34624	1.7%	2.3%
Q2 1998	2042831	23956	1.2%	46545	2.3%	373122	18.3%	135144	6.6%	1464064	71.7%	35674	1.7%	2.4%
Q3 1998	2069672	23255	1.1%	47169	2.3%	377470	18.2%	146832	7.1%	1474946	71.3%	36061	1.7%	2.4%
Q4 1998	2086009	25379	1.2%	49272	2.4%	362999	17.4%	148940	7.1%	1499419	71.9%	34624	1.7%	2.3%
	2071130	24492	1.2%	48065	2.3%	369148	17.8%	144964	7.0%	1484462	71.7%	35246	1.7%	2.4%
Q1 1999	2036327	21849	1.1%	52641	2.6%	344435	16.9%	140194	6.9%	1477208	72.5%	33940	1.7%	2.3%
Q2 1999	2026991	21085	1.0%	47659	2.4%	327088	16.1%	139270	6.9%	1491889	73.6%	37175	1.8%	2.5%
Q3 1999	2067584	25768	1.2%	48265	2.3%	327729	15.9%	141013	6.8%	1524809	73.7%	43490	2.1%	2.9%
Q4 1999	2064684	27482	1.3%	48722	2.4%	339209	16.4%	141734	6.9%	1507537	73.0%	42445	2.1%	2.8%
	2048897	24046	1.2%	49322	2.4%	334615	16.3%	140553	6.9%	1500361	73.2%	39263	1.9%	2.6%
Q1 2000	2079152	30291	1.5%	45547	2.2%	334466	16.1%	145857	7.0%	1522991	73.3%	36797	1.8%	2.4%
Q2 2000	2097266	30319	1.4%	49360	2.4%	328082	15.6%	148988	7.1%	1540517	73.5%	36624	1.7%	2.4%
Q3 2000	2162070	31225	1.4%	59537	2.8%	341194	15.8%	151958	7.0%	1578156	73.0%	37114	1.7%	2.4%
	2112829	30612	1.4%	51481	2.4%	334581	15.8%	148934	7.0%	1547221	73.2%	36845	1.7%	2.4%