Importance of Learning: Hospitality HR Managers' Viewpoint

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Importance of Learning: Hospitality HR Managers' Viewpoint

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HSPT490: Senior Capstone Project

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Abstract

Many studies have proven how important and beneficial training and development is for managers because it improves their relationship with employees, and it could potentially lead to better performance of the company. This paper investigated training and development programs offered to managers in 4- and 5-star hotels in Dubrovnik and factors that influence their success in the hospitality industry.

Five hotel companies participated in the questionnaire which measured their satisfaction with T&D programs and asked them to list programs their offer as well as rate importance of four factors for success of managers.

Results suggested that HR Managers were overall satisfied with T&D programs with most common programs being leadership, communication, internal development programs and specific interest training. Additionally, work experience and T&D received at work were rated as most important factors for success of managers in the hospitality industry.

Keywords: training, development, managers, hotels, Dubrovnik

Training and development of employees is an important segment of every HR department in companies. It is beneficial for the employees because it enables them to grow by developing their skills, competencies and attitudes which improves overall performance of the company (Mulang, 2015, p. 196). However, often it gets ignored because it can be time consuming and it requires resources (Pološki Vokić, 2008, p. 14). Nevertheless, by neglecting training and development programs and not recognizing employees' strengths and weaknesses, company's performance might deteriorate, the satisfaction with the company as well and it can all lead to e.g., high turnover rate, dissatisfaction with the company and many more. In the end, constant change of employees and influx of new employees might cost the company even more than implementing development programs for their employees.

Hospitality industry is one of the industries highly affected with high turnover rates and shortage of skilled workers. Just in the US alone, according to Malek et al. (as read in Cicerale, 2020, p.3), hospitality industry is the leader in the percentage of turnover rate compared to other industries, with 51.2% in 2015. The next industry having the closest rate is arts, entertainment, and recreation with 37%. Hospitality industry often fails to keep employees for a longer period due to employee's dissatisfaction with the employers and pressure to perform well and sometimes without enough support in forms of training or compensation. Often times it is the performance of managers and their relationship what influences above mentioned factors such as turnover rate, satisfaction level etc. As one study of two hotels in the northeastern part of USA reveals, after implementing leadership training for current and new managers the overall annual turnover rate decreased from 89,6% in 2002 to 56,7% in 2003, following that the satisfaction level increased for over 10% for the supervisors and over 13% for the satisfaction with the company as employer (Choi & Dickson, 2009, p. 112).

In terms of training and development workshops and what is demanded by companies, across the consulting industry there is a pattern of five most commonly demanded corporate trainings in: leadership development, clear communication, conflict resolution, emotional intelligence, and presentation skills ("Most Requested", n.d.). Seeing the research done on management training and how it affects other aspects of the company, this study therefore aims to explore training and development workshops offered to managers in 4- and 5-star hotels in the city of Dubrovnik. It aims to connect the workshops offered in hotels in Dubrovnik with those offered in companies across the world and also investigate factors influencing success of managers in the hospitality industry. Similarly, this study aims to provide hospitality management colleges insight into training and development programs hotel companies offer. It could be helpful to them because they will be able to craft their programs in a way that will help their students develop needed skills early on. In addition, it is helpful because it offers insight into how training and development is important for companies and its performance.

Difference between training and development

Although it might seem that training and development are the same thing, there are some clear distinctions between two terms. Training is used in sense of improving technical skills and updating ones so that the performance of certain job can be improved while development is more oriented toward psychological development of employees and it is mostly offered to managers, people who have bigger responsibility. Because, besides technical part of the job, they have responsibility of overlooking employees under them and making sure they are performing well (The American Society for Training and Development [ASTD], n.d.). Overall, the role of training and development in human resource management is to improve the performance and effectiveness of an organization

by providing support to the employees which will be beneficial for their current and future job effectiveness (Ahammad, 2013, p.1).

Importance of training and development opportunities

Recent studies (Everett, 2012; "The True Cost", 2020) show how in companies, employees might expect or seek training. However, their needs are not met. One study of 4,300 workers showed that 74% of them feels as though they are not reaching their full potential and that would appreciate having more opportunities for development (Everett, 2012). Another study showed that 35% of Millennials find organizations desirable if they offer training and development programs and 52% of them if they offer career progression opportunities ("The True Cost", 2020). According to Pew Research Center (2020), Millennials are expected to comprise 75% of the global workforce by 2025. Such a number should encourage companies to change the way they operate and what they offer in terms of professional development to their employees. One of the reasons managers might be reluctant in implementing such programs is the fear of losing workforce. Nevertheless, that is not the case. With training and development programs in place, employees feel valued and are more likely to stay with the company ("The True Cost", 2020). Though, it is not just employees who need such programs, managers need them as well. Upcoming workforce does not consider elements such as training and development programs as only factors for working in certain companies, but they also desire a manager who will not only pick on their weaknesses but also recognize their strengths and use them (Harter, n.d.). Hogan et al. claim that numerous surveys show how employees' most stressful part of the job can be relationship with their manager (as cited in Winshborough & Hogan, n.d., p.3. All these factors show the need for proper evaluation of current management practices in companies and how it is affecting the overall performance of employees in order to improve areas where managers are lacking.

Management in hospitality industry

Hospitality industry is a high changing industry where trends shift often. Demand for certain skills and competencies changes as well and it is often clear how there is a gap between what is told by the academics on that issue and how it is accepted by the industry which often responds slowly to the change (Whitelaw et al., 2009, p. iv). Also, another issue arises from the research which is the unattractiveness of the industry to the graduates who prefer better work/life balance then what is actually offered. In that sense the authors of the research (Whitelaw et al., 2009, p. iv), argue that the industry should work on improving the image it has in terms of wages and career development. With the industry being globally present companies need to understand how that affects the whole industry, the international character of it. This also points to the need for better responsiveness to changes in the environment. Starting from managers and their abilities in dealing with different cultures and value systems (Whitelaw et al., 2009, p. 17). Even though Whitelaw et al. point out that there is a need for development of managerial skills, nothing significant has been implemented to achieve that. As Guerrier & Lockwood and Ladkin describe (as read in Whitelaw et al., 2009, p. 3), most common skills found in hospitality managers are "assertive, autocratic, ambitious, pragmatic, optimistic, cheerful and extroverted" unlike managers in different industries. They are also seen as hard working and entrepreneurial although, constantly distracted which results in lack of time to work on long term strategic management. Most importantly, what is crucial for managers in hospitality is to be able to use and develop their skills and competencies when changes happen. As study done by Cho and Dickinson on the effectiveness of management training in areas of hiring, interview skills, and the issues of the modern workplace can significantly reduce many of negative factor such as high turnover rate and satisfaction with managers and the company, it

proves how this could be done in other hospitality properties for their improvement (Choi & Dickson, 2009, p. 113).

Furthermore, a study conducted in Croatian hotel industry in 2007 (Pološki Vokić, 2008, p. 15) on the topic of training and development in Croatian hotel showed how there is a lack of those programs offered to hotel employees. Also, as tourism industry is a strategic priority of Croatia one would expect for hotels as service companies to put training and development of their employees as a priority, that is not the case (Pološki Vokić, 2008, p. 33). One of the questions in the study included management and it was found that only 29,2% of hotels invest in training and development of their managers. As compared to research done by Nolan (as read in Pološki Vokić, 2008, p. 23) which finds that number to be higher in other countries: 64% in UK hotels, 75% in European hotels, and 66% in US hotels. Additionally, the Croatian study found out that managers are third/fourth in line when it comes to training and development programs offered to employees, with groups before them being cooks, waiters, and receptionist (Pološki Vokić, 2008, p. 24).

Consequently, this study aims to assess the training and development programs offered to managers in 4- to 5-star hotels in Dubrovnik and compare it to what is demanded in the world and see if there are some similarities. The results of the study could potentially indicate to colleges, who are creating courses for hotel management, that there are some skills in demand by the market which companies are reacting to too slowly but can be accelerated by colleges if noticed in advance by new projects or opportunities for applying theory in practice. In addition, it can all potentially result in companies not needing training in certain areas because they already have competent manager with skills developed earlier. According to the accommodation categorization of Croatian Ministry of Tourism and Sport (Ministarstvo turizma i sporta [MTS], 2021), Dubrovnik has total of 23 hotels with 4 and 5 stars; 8 of those having 4 stars and 13 categorized under 5 stars.

Method

The purpose of this research was to assess training and development programs offered in 4- and 5-star hotels in Dubrovnik. Additionally, the author wanted to investigate what background factors influence success of managers in hotel industry.

Participants

The questionnaire was distributed online using Google form sent via e-mail to HR managers. Out of 23 hotels of 4- and 5-stars in Dubrovnik, 11 hotels participated. However, 8 hotels are divided between 2 hotel corporations and their T&D programs are done on the corporation level which means there were in total 5 responses from hotels. Out of the 11 hotels, three hotels belonged to 4-star category and eight belonged to 5-star category.

Instrument

Questions in the questionnaire were based on results of a previous research done by Pološki Vokić (2008) which researched training and development in the Croatian hotel industry. Questionnaire consisted of 19 questions, 4 parts and it was distributed in English and in Croatian. In the first part of the questionnaire participants were asked to express their level of agreement (on a Likert scale of 5) with 6 statements regarding the success of employee and manager T&D programs, budgeting of T&D programs, support of the GM, how well-developed T&D plans are and if the programs are sufficiently evaluated. In the second part participants were asked to list training and development programs offered in the last fiscal year to employees and managers. In the third part of the questionnaire participants were asked multiple choice questions concerning HR involvement and hotels budgeting of T&D programs. In the fourth part, participants were asked to rate the importance of formal tourism education, excellent schooling results, working experience and

training and development received at work for the success of employees and managers in the hotel industry. Final part of the questionnaire consisted of demographic questions (hotel category, number of beds and employees, type of ownership, country of origin of the majority owner). Final question was also an open-ended question asking participants how COVID-19 affected training and development spending for 2021.

Results

The author collected 5 surveys in total that cover 11 hotels. The data shows that there are similar training and development programs offered to managers in hotels. Looking at the results, only 4 surveys were taken in consideration as Hotel 5 stated there were not any T&D programs for managers nor employees. With three out of four hotels stating they have internal development training, two hotels listed communication and leadership as one of the trainings and two out of four hotels have outsourced specific interest training. These results were compared to training and development programs offered to employees. Three out of four hotels listed on the job training as part of their T&D program, two hotels listed communication as one of the employee trainings. Internal development, brand orientation and sales method were only reported with one hotel. Additionally, only one hotel listed Covid-19 training as part of their T&D programs offered in the last fiscal year.

Hotels generally were satisfied with training and development programs for managers and how the hotel company is spending on T&D programs (m=3,8, SD=1,30). Hotels rated General Manager's support of T&D programs very positively (m=4,6, SD=0,54) as well as how well the plans are defined (m=4,2, SD=0,83). (Figure 1.)

When looking at the aspect of HR and budget setting, three out of five hotels reported having employee specifically in charge of T&D and four out of five hotels set budget for T&D every year. Two out of five hotels reported enlarging spending on T&D compared to other operational costs. Three hotels reported that their company invests less than 1% of yearly earnings in T&D with one hotel reporting 2-3%.

The final results were measuring hotels perception of four factors influencing success of managers. Most important for the success of managers is working experience (m=4,8, SD=0,44) with training and development received at work being second most important (m=4,6, SD=0,54) and formal tourism education being third most important (m=4,2, SD=0,83). Excellent schooling results were rated as less important than other factors but still important (m=4, SD=0,44). (Figure 2)

Participants were also asked to rate the same factors for performance of employees and working experience received same score of importance as for managers (m=4,8, SD=0,44), followed by training and development received at work (m=4,4, SD=0,54). Formal tourism education was rated as more important (m=4, SD=0,70) than excellent schooling results which score the lowest (m=3,6, SD=0,54).

Participants pointed out that COVID-19 has significantly affected implementation of T&D programs resulting in less budget allocated to T&D program and moving the existing programs online.

Discussion

This research tried to assess training and development programs offered to managers in 4- and 5-star hotels in Dubrovnik and compare it those most requested by companies in the world. It also investigated how four different factors affect success of managers in the hospitality industry.

According to the conducted research, most common T&D programs offered to managers in Dubrovnik hotels are internal development programs, communication, leadership, and outsourced specific interest trainings. These findings support the list of most requested trainings which are leadership development, clear communication, conflict resolution, emotional intelligence, and presentation skills ("Most Requested", n.d.). Hotels participating in the research placed conflict resolution, verbal and non-verbal communication and teamwork under communication training so in the results communication has been used as overall name for the whole group.

One of the key findings in the research was which factor influences success of managers in the hotel industry according to the participants, HR Managers. Work experience and training and development were rated as the most important factors while tourism education and excellent schooling results no matter the field were rated as less important.

These results point out the importance of training and development on the performance of managers and their development. Hotels that had participated generally were satisfied with their T&D programs for managers. One of the goals of the research was to help colleges and students see what the most common training and development programs are offered to managers in hotel industry. The findings could be helpful because they show how leadership and communication are still most highly sought-after skills or skills that managers need to work on the most. If students started working on their leadership and communication skills early on, they could develop to successful managers sooner if given proper resources and opportunities to experience developing these skills.

This research also shows how employees are still mostly trained on technical knowledge, development of their hard skills, while managers on their soft skills and department specific technical skills.

The limitations for this research were small sample of hotels surveyed and expected positive answers regarding performance of hotels when it comes to T&D of employees as to not show bad business practices if answered negatively.

For future research I would suggest having a bigger sample size so that the answers would be more credible. Additionally, measuring factors such as performance over time, employee turnover, employee satisfaction after implementation of T&D programs to see how they are specifically affecting these aspects of the company.

With this research, readers can get insight into training and development programs offered to manager in 4- and 5-star hotels in Dubrovnik. How different factors affect the success of managers in hotel industry and the research points out the importance of training and development for success of managers.

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Appendix

Figure 1.

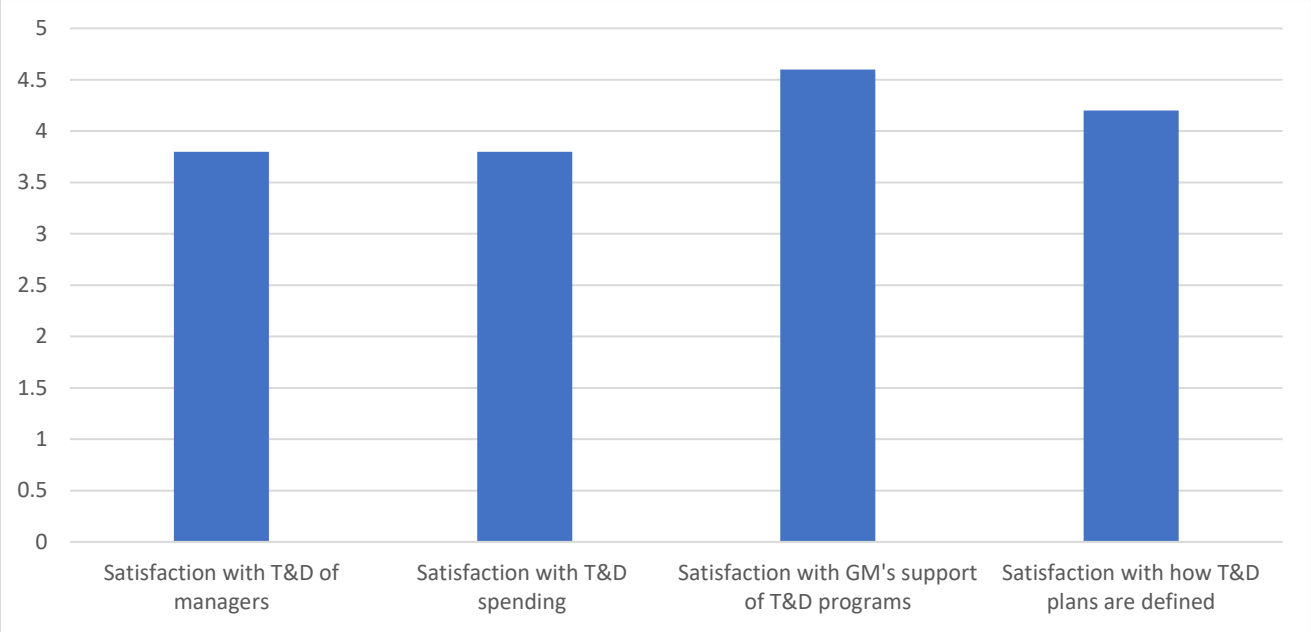


Figure above shows levels of satisfaction with training and development programs.

Figure 2.

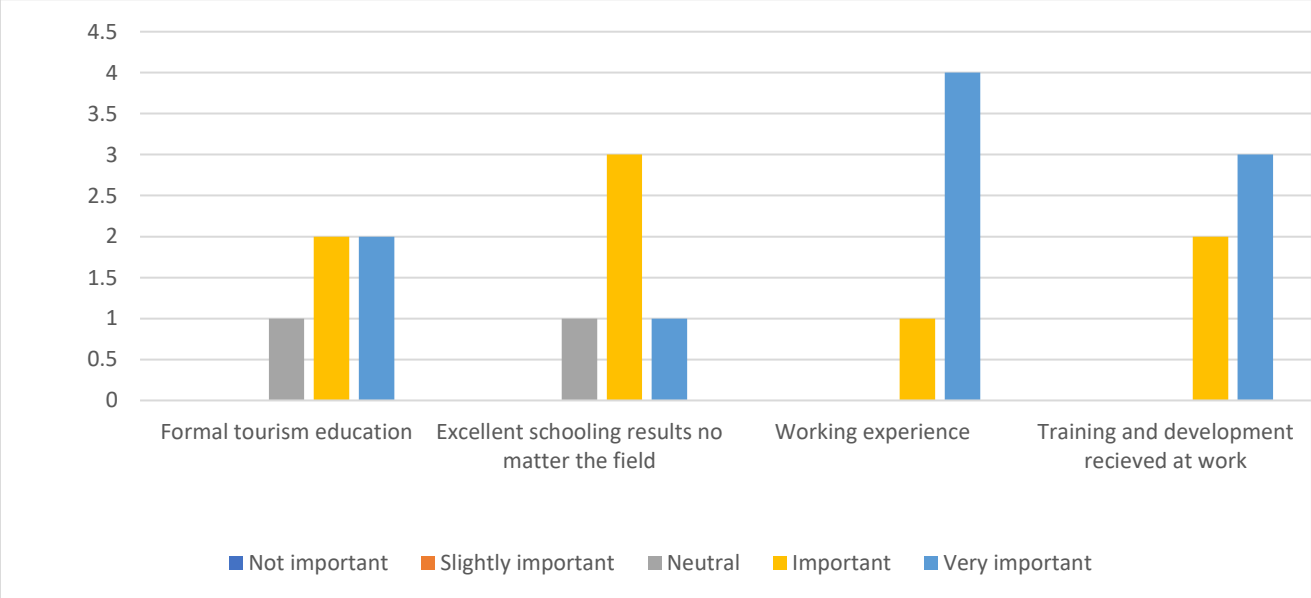


Figure above shows importance of different factors for success of managers in the hotel industry.