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MSc Management**

Master Dissertation

**Human Resource Management in Tourism and Hospitality  
Industry:  
Recruitment Policy**

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## **ABSTRACT**

Tourism is associated with various types of organizations, taking part in the composition of the diverse tourism product. Hosting, the leader of all sectors, offers, among many other services, the most crucial part of the tourism product; that of accommodation and nutrition.

The hospitality sector consists of different types of settlement. The hotel industry constitutes, for most countries, the principal source of income and this is the reason why professionals consider it as a noteworthy part of the global market. This could be achieved by exploiting the most important competitive advantage that can be created, pertaining to *human capital*.

Managing Human Resources in the hotel industry is the key subject under investigation in the current research dissertation. At the first part of the dissertation, HRM practices regarding the recruitment policy are being theoretically analyzed based on decisions dealing with the Human Resources Department (such as programming, attracting, recruiting and screening) as part of firms' strategic objectives and goal setting processes. At the second part, attention is paid to the need for effective recruiting practices to be adapted and developed, regarding that is the Greek hospitality industry, with the aim to examine why careful recruitment is important in this particular sector and to analyze the basic recruiting criteria and methods. This is due to the fact that investing in human resources is of significant importance and contributes to the financial status of an organization, especially for the industry of hotels, where human capital is not competent and effective enough, and where no advertisement of products and services would assign to the company's welfare.

To this end, the current study aims to explore the hotel's central recruitment efforts as well as looks into the current and future strategies adopted by Greek enterprises for recruiting the appropriate candidates.

In terms of methodology, the qualitative approach was employed, through a survey research instrument that was distributed both through e-mails as well as through interviews over a period of four weeks, in order to collect primary data from a convenience sample of Greek tourism enterprises.

According to the findings the Greek hospitality industry faces similar staff turnover and recruitment failure impacts, which negatively affects service quality levels, costs

and time related to staff recruiting and training, while it enhances idea generation. Strategies mentioned to be used by the interviewees for screening and qualify in the relationship between (1) data responses on the application form and (2) measures of success on the job, demonstrate a shift to predict thoroughly which candidates will be successful and which won't.

Due to short number of responses, the findings should be treated with attention. New research approaches for studying recruiting techniques and selection testing, such as social network analysis, are recommended for future research.

The paper contributes to the international and national hospitality literature by providing primary data about the level, the type and methods of recruitment in the Greek tourism industry.

**Keywords** – Recruitment, Testing, Greece, Hospitality services, Tourism management, Promotions, Suitability.

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## **CHAPTER 1. INTRODUCTION**

### **Theoretical background and statement of the problem**

Policy makers, industrialists and academics have tried to examine and determine the nature of the tourism industry. However, there is still no one universally accepted definition (Tsui, 2000). In fact, many jobs in hospitality and tourism share the common characteristics associated with both hospitality and tourism activities. Obviously, then, we should recognize the potential for inaccuracy in the description of industries of tourism and hospitality. Furthermore, within the wide categorization of travel, tourism and hospitality, there is an enormous variety in the types of jobs created, compared with the technical standards and skills' demands, educational requirements, terms and conditions and the type of person that is more probable to be attracted to employment in such sectors.

Long-term relationships between employees and minimum-sized tourism enterprises minimize turnover, enabling a better performance, while reducing recruitment and training costs. Incentive policies need to reflect the specific requirements of each resort and enable the development and improvement of certain types of enterprises. Unexpectedly, the lack of HRM strategies to retain core personnel in service positions along with the need to enhance communication between management and workforce to ensure mutual understanding and striving for common goals should be stressed to this point.

In addition, in order to improve the quality of employment, high seasonality that is evident in the particular sector and its implications on Human Resource Management need to be studied. It is important then for every company in the hotel industry to pay attention to the recruitment and staffing in the initial periods, and identify when further manpower is necessary for the smooth functioning of a department, following the expansion and reinforcement of business activities. According to Kolomiets (n.d.), through the industry, such interesting and remarkable phenomenon of seasonality in tourism is examined, limited to the subject of seasonal employment; yet there is plethora of subjects in tourism which can be analyzed through the considerations of seasonality; a correlation between occupancy and staffing, together with company's attitude and strategies towards variations in seasonal demand. In Greece, most hotels, and many other tourist companies operate seasonally and even in summer, usually from

April to October, which means that this period needs additional staff in order for services to be provided adequately. Since at the beginning of the summer, there is a greater demand, some qualitative and quantitative problems of recruiting the appropriate staff may occur, because the hotels employ their staff earlier, in order to secure their personnel (Kolomiets, n.d.)

### **Aim of the research and research questions**

Considering the above issues, the aim of this research is to examine the practice of recruitment in the hotel industry.

The basic idea is to obtain an understanding of the hotel companies and their recruitment systems for employees, to go through whether internal or external recruitment is adapted and if it could be the key factor for success. Based on this aim, the research questions are the following:

1. Which of the two main methods of recruitment (internal vs. external) do the hotels use?
2. Do hotels make use of promotions and incentives within the framework of recruitment?
3. Does the high seasonality regarding the Greek hotel industry affect the success of the hotel units?
4. Are there any strategies-practices that the hotels use in order to address the problem of seasonality?

### **Methodology**

The qualitative research methodology has been chosen for the realization of this research with the use of face-to-face interviews. The sample consists of three luxury (5\*) hotels in the area of Thessaloniki, Greece.

### **Interest in the conduct of the research**

The interest in conducting this research stems from three reasons. The first is the contribution of tourism to the national economy. Tourism is a major export and contributor to both Gross National Product (GNP) and balance of payments. The contribution of Greek tourism to the national economy demonstrated the magnitude and complexity of the industry (Buhalis, n.d.).

The second derives from the assumption that, qualitative research in tourism is often accused for the lack of ‘good science’, hence-the reliability and loyalty (Decrop, 1999). From this point of view, the qualitative research in the field of tourism in this assignment will try to answer the research questions and prove that a qualitative research in the field of tourism is possible to give answers.

The third stems from the fact that the Greek literature concerning recruitment and in general HR issues in the Greek hospitality is limited. This research wants to contribute a little to this field, by providing a first set of conclusions with regard to the recruitment processes in the Greek hotels, stimulating the interest for the conduct of future researches in this field.

### **Expected outcomes**

There is little doubt that the tourist industry is a crucial sector of the Greek economy. Although Greece offers unique nature, culture and heritage, the lack of differentiation of the tourism product as well as competitive disadvantages in selection and planning cause an over-dependence on intermediaries for the promotion and distribution of the tourism product whilst jeopardizing its quality. As such, tourism requires urgent strategic management action in order to compete with alternative destinations and maximize the prosperity of the host population.

More specifically, the present study examines recruitment patterns in three hotels, located in the area of Thessaloniki, as well as the identification of challenges of seasonal business concerning recruitment, staffing and retention of personnel. The hotel industry is a major part of the service sector. Firms belonging in the service sector are highly associated with their personnel in order to deliver quality services; as such it is crucial for them to inspire employed personnel in an effective way and fulfill the objective of high quality service delivery in, as much an efficient way, as possible.

The outcomes of this research are expected to be useful for theory in terms of informing literature in the area of HRM with regard to recruitment practices. They are further useful for hotel managers regarding the recruitment process. Moreover, the results will help practitioners to understand the practices of promotions and incentives as contributing factors to employee satisfaction. Finally, the results will be helpful for hotel managers in understanding how the problem of seasonality, faced by many hotels in the

Greek sector is related to the recruitment process.

### **Structure of the dissertation**

The second Chapter pertains to the literature review, which presents the concept of recruitment, the internal and external recruitment and the process of recruitment. The third Chapter presents the methodology of the research. The fourth Chapter is the data finding chapter, where the internal and external recruitment strategies, implemented by three well known 5\* hotel companies that took part in the research (Hotel A, B and C), based upon their answers. The next in turn Chapter discusses the main findings, whereas the last Chapter includes the conclusion and makes suggestions for further research.

## **CHAPTER 2. RECRUITMENT IN THE HOSPITALITY INDUSTRY**

### **2.1 The concept of recruitment**

Recruitment is perceived as a procedure of seeking and finding candidates for jobs, including the right person that can be selected. Recruitment is the process of assuming adequate and capable people and providing them with the motivation to apply for work with the company. An array of estimations upon the recruitment procedure should be advanced in order to appraise the work equivalents, personality, interpersonal qualifications, skills and problem-solving capabilities of potential candidates to determine their service 'adaptation'.

Responsibilities for a comprehensive recruitment process have been delegated to HR managers. They are accountable for designing and implementing a recruitment plan that will satisfy the staff needs of the hotel industry, in compliance with all legal fundamental frames. This responsibility includes finding sources of applicants; writing and placing ads; communicating with agencies and educational academies; agencies and trade unions; authorizing processes to ensure equal employment opportunities; and managing the funds of companies that have budgeted for staffing and recruitment.

During the recruitment process, a pool of eligible and privileged candidates is conducted for selection of the most capable future candidates. Recruitment refers to the first movement the firm makes with the potential employees. Every company in the hotel industry should pay attention to the recruitment and staffing in the initial period, and therefore as and when further man power is necessary for the smooth functioning of a department, due to the expansion and reinforcement of business activities. (available at: <http://www.scribd.com/doc/23330789/Recruitment-and-Selection> )

### **2.2 Types of recruitment**

#### **2.2.1 Internal recruitment**

Internal recruitment is seeking candidates for positions of those who are presently employed. Internal sources comprise current employees, the references of its employees, former employees and former applicants. It is also denoted as the practice of selecting

candidates among company existing employees to occupy a vacant position. Employees in the organization get informed about the vacancies through different ways. Job vacancies are regularly published within the organization through a variety of media, such as Staff notice boards, Intranets, In-house magazines / newsletters (for a specific enterprise), weekly magazine devoted entirely to personal advertising jobs, and staff meetings.

Johnson (n.d.) confirms that there are several sources of internal recruitment in an organization such as current or permanent employees, temporary or casual employees, retired employees or descendants (children) of deceased (expired), disabled, retired and present employees. The Internal recruitment requires power from HR processes, because poor internal recruitment process can lead to disgruntled managers and employees in the organization. A succession planning with steady and stable performance management need to guarantee the accomplishment of the internal recruitment. It is crucial to familiarize the internal job candidates with the organization. The HRM function provides the required background information (qualifications and achievements) for the hiring manager.

Two of the most common alternatives for internal recruitment, used in the Greek hospitality industry, are presented accordingly:

- a) Promotions and Transfers: An effective way of using job posting and personnel records. Candidates are attracted from notices, publications, and announcements at staff meetings. Another solution is to invite certain employees to apply for another job offer within the firm, in order to cover a vacant position. The selection of these individuals can be based on personal records, as many of them are in charge of responsibilities below their educational skills and abilities. Promotions are good public relations for the reputation of the firm, encourage the ambitious and competent managers and employees for a better career perspective, improve the profitability of a trustworthy selection based on their previous performance and referrals, is cheaper than seeking potential candidates from the external environment of a company, ensures less orientation time and generally serves as a training device for middle-level and top-level managers.
- b) Former employees: Retired employees who are willing and capable of working on a part-time basis, individuals who were discouraged and are willing to return for higher compensations. These people are already known to the company and

there is not necessary to discover their performance and character since they are familiar with the organization. Sometimes, when management issues or has to face a problem or any other alteration that may occur, previous or retired managers may be recalled for the purpose of a comprehensive problem-solving or his/her leave may be extended. Suitable persons are appointed at the vacant position.

#### Advantages of internal recruitment

It is beneficial for hotel companies to use their existing personnel, given that their staff knows its duties, understands the company and are competent. Molander (1996) claims that the main advantage of internal recruitment is its potentiality to create a culture of faithfulness and job security among all employees, which can be complicated to achieve otherwise. Another advantage regards less effort and time that can be spent on advertisement and also a way of reducing training costs that an external employee would need to become familiar with the organization (Molander 1996). In general, the advantages of internal recruitment are the following:

1. Great opportunity for existing employees to promote their careers in the business in an upper-level.
2. Help in staff's retention.
3. Requires a short induction training period.
4. The employer may be aware of the internal candidate's competences, which means a reduced risk of selecting an unsuitable candidate.
5. Usually it is quicker and less expensive way than recruiting from outside.

#### Disadvantages of internal recruitment

There are some disadvantages as well, regarding the internal recruitment. Its main disadvantage is the limited supply of candidates to choose from (Ahrnborg, 1997). Moreover, the following disadvantages are quite certain to arise(Ahrnborg, 1997):

1. Restriction of the pool of potential applicants for a job.
2. External candidates might be better qualified-certified for certain positions.
3. Another vacancy will be formulated that has to be occupied.
4. Existing managers may have the sense that they will get advanced, no matter if they are competent and skilled or not.
5. Business may be negative to get advanced; by recruiting from outside, new ideas and concepts are brought in.

### **2.2.2 External recruitment**

The most complicated part of recruitment is to identify the most skilful applicants from the external environment, within the labor market. When jobs cannot be filled internally because they are very specialized or there are not sufficient executives from the company in order to meet the necessities of the job, attracting candidates is achieved from the outside labor market. An efficient recruitment program therefore constitutes the determinant factor for a successful hotel company that aims to expand or fill many vacant job positions with specialized and skillful personnel. Precisely, external sources of employment are professional or trade associations, advertisements, employment exchanges, college/university/institute placement services, consultants, displaced persons, radio and television, acquisitions and mergers and competitors (<http://www.scribd.com/doc/19488678/HR-Practices-in-Hotel-Industry>).

The most common method used by most of the companies, are publications and advertisements in newspapers and professional publications. The ad is a manner of attracting the interest of qualified potential candidates and must be perceived thoroughly. A lot of companies often enter ads that do not attract the attention and remain unnoticed, or attract the wrong candidates. In such a way, it is needed to repeat the process and as such valuable time and money are lost. For a publication to be fully effective, it should be done a very deliberate choice of the form, the issue date of the notice and be prepared correctly and thoroughly. The development of technology and the increasing use of internet (even quite small compared to overseas) have introduced a new tool attracting candidates, called the e- recruiting.

Another way to attract staff, used by several companies, is working with training centers and universities. Several consultancy firms, among other services they offer, often provide services to personnel selection companies. In particular, some extra care is needed to conclude the contract between consultants and the company. The Ministry of Labor provides a permit to companies with the expertise and trained personnel needed for the selection process. When the Human Resources Directors make choices upon the potential new employees due to a careful and required experience, this method may prove to be quite effective.

Keeping in mind that the hotel industry is mostly seasonal in Greece, the most popular

ways of recruiting externally are (<http://www.managementstudyguide.com/types-of-recruitment.htm>):

- a) **Employment at Factory Level:** This is a source of external recruitment in which the applications for vacant positions are forced to be presented on bulletin boards outside the Hotel or at the Gate. This kind of recruitment is suitable in cases where hotel managers are to be appointed. There are applicants who tend to request jobs from one place to another. These applicants are called as unsolicited applicants. These types of staff potential employees apply on their own for their job. This type of recruitment permits to the staff the movement from one hotel to another.
- b) **Advertisement:** It is an external source that plays an important role in the recruitment procedure. The most important advantage of this method is that it covers a wide area of market and potential applicants can be informed through advertisements. Medium used is Newspapers and Television.
- c) **Employment Exchanges:** There are specific Employment exchanges which are powered by government. Most of the government concerns employ people through such exchanges. Lately, staffing in government agencies has been developed into settled through employment exchange.
- d) **Employment Agencies:** Professional organizations seek recruitment and employment of people, so these private agencies belong to private individuals and supply the workforce needed to a range of companies and institutions.
- e) **Educational Institutions:** Certain training institutions provide their graduates with specific knowledge and certain professional skills, according to the requirements of the labor market. This type of recruitment is often called as *Campus Recruitment*.
- f) **Recommendations & Referrals:** This is an interesting recruiting option. There are certain people who have experience in a specific field. There are vacant positions then which are covered by judgments of such people. The disadvantage of referrals is that a firm has to base exclusively on such people which can later on prove to be ineffective.
- g) **Labour Contractors:** These are the specialist people who supply manpower to the hotel plants and branches. Through these contractors, workers are appointed on contract basis, i.e. for a particular time period.

### Advantages of external recruitment

The most important advantage of external recruitment is that the company has no limited supply of potential candidates and can choose among future managers from all over the world. The advantage of finding staff from external sources is that, sometimes, it is cheaper for the company to hire a new person than to promote an employee. In addition, the person that will come from an external source will not be influenced by the mentality of previous employees and will not belong to "cliques". The most basic is that, by the arrival of a new employee, new concepts and ideas may be introduced in the body. In general, the advantages of external recruitment are the following:

1. There is influx of new capable and competent individuals.
2. Promotes competition.
3. There is lesser chance of devotion to the company's standards.
4. If alternatives like campus recruitment are implemented we get a chance to employ new graduates, by increasing employment.

### Disadvantages of external recruitment

External recruitment can reduce the efforts and the hopes of existing managers, because of the limited possibilities of promotion (Chan, 1996). Attracting and selecting a new employee has some difficulties and this can be considered as a major disadvantage. Moreover, the placement and adjustment of new employees requires time. Their morality may be low because it can be influenced by negative behavior of employees who were not offered a promotion. A last disadvantage is that the efficiency of the new recruits may be less than the company expected and additional personality not "fit" with the organizational culture. Based on the above, Chan (1999) claims that the best way for a company is to combine both internal and external recruitment by promoting employee motivation, due to the fear of external recruitment. In general, the primary disadvantages of external recruitment are the following:

1. It is a time consuming method
2. It is a costly method because it entails recruitment cost, selection and training cost.
3. It reduces credibility to the company.

## **2.3 Recruitment process**

The recruitment process comprises of five interrelated stages; (i) Planning, (ii) Strategy development, (iii) Searching, (iv) Screening, and (v) Evaluation and control. The function of HR is to make the staffing procedure an ideal one. The ideal recruitment process is the one that attracts a relatively larger number of qualified applicants who will survive the screening process and accept positions with the organization, when offered. (<http://www.scribd.com/doc/21651528/Recruitment>).

The recruitment process includes the following steps: a) Categorizing the vacant positions, b) Preparing job description and qualifications, c) Advertising the vacant position, d) Administering the demand and supply, e) Short-listing, f) Classifying interviews. This process is immediately followed by the selection, the final interviews and the decision making process, conveying the decision and the appointment. Staffing the appropriate applicant(s) requires a whole time-consuming and detailed procedure, although ensures equal opportunities for all applicants. In fact, no certain employment is supposed to be performed until the whole recruitment procedure is accomplished.

Finding the appropriate candidates for vacant managerial positions supposes the establishment of a committee to develop the criteria for revision of the applications and interviews, from face-to-face to closed questions, testing and skills evaluation methods. Human Resources publish the advertisement and sets up the job related criteria for evaluation regarding the vacant positions, so that job descriptions are available to employment agencies, institutions and organizations. It is obvious then, that no hiring can take place until the chosen candidates receive HR approval for the recruitment.

All levels of tests and qualifications have to be affirmed by the Human Resource Director before they are carried out. In case that an applicant is selected but his skills do not adhere to the minimum required qualifications, the position may be ranked at a lower level, for further training purposes. Employers tend to assign employees related to their “fit” to job and organizational requirements. With the progressive nature of tourism and hospitality industry, the viewpoint of perceiving fit as a screening technique for employee allocation would be more helpful. This happens due to the company need to wisely adjust duties to employee in order to be antagonistic. This screening notion recommends that organizations attempt to place individuals whose competences, experience, abilities and ambitions into concrete units or duties to supplement the organizational leaders or alter the environment to a “unit” by occupying an existing

vacant position (often mentioned in the literature as “complementary fit”).

## **2.4 Screen out the most suitable candidates**

Managing a new workforce requires a formal screening process. Screening is a two-stage procedure: deciding what are the basic duties and human requirements and what positions the firm has to fill. Most companies need reference and background information to make assumptions and hire the new personnel. Forecasting the personnel needs is the first step to exclude the most unsuitable candidates before their application reaches the desk. It is a challenge for a company to ensure that a specific job position is suitable and matches the abilities of an applicant. A comprehensive screening procedure is also useful to identify whether a candidate is hired based on his/her qualifications and communicational skills or not.

Structured Screening includes questions and multiple choice personality tests, from Oral Testing to Situational or Behavioral Screening that rates the interviewee on factors such as work history, motivation, critical thinking and presentation. The applicant is normally asked to describe reactions or responses he/she would give in critical situations, past behavior, problem solving aptitude. The interviewee’s responses are finally estimated with rating scales, regarding his/her strengths and weaknesses. Specific job-related questions determine the fit of an applicant to a job position. Although this is a typical cost effective and precise screening procedure for most of the companies, some concern exists about the validity of these tests as predictors of behavior and competencies.

Unstructured Screening involves a procedure where a variety of several questions may be asked to different applicants in order to determine whether the applicant is aware of his own strengths and how he/she would face a risk under stressful circumstances. Although the estimation may be subjective in some cases, this is a rather convenient screening form in cases where a large number of applicants exist.

## **CHAPTER 3. METHODOLOGY**

### **3.1 Qualitative analysis**

For the purposes of this research, the qualitative method has been chosen. The main characteristic and advantage of qualitative research is that produces results that depend heavily and primarily on the experiences, the meanings, and the understandings of the people who participate in the research, rather than in the development and the testing of general theories by the researcher.

Qualitative method is the collection, analysis and interpretation of the data collected through the observation of the human behavior. The qualitative research has been designed so as to provide a framework of understanding and explaining the experiences of individuals and hence this kind of research can be regarded as a reflexive human effort. The qualitative research studies the phenomena within their natural environment, aiming at understanding and interpreting these phenomena in a way which is based on the perceptions and the meaning that people have for these (Ospina, 2004). In general, “qualitative research produces narrative or textual descriptions of the phenomena under study” (Vanderstoep and Johnston, 2009, p. 7).

### **3.2 The interviews**

The method that has been used is face-to-face interviews. Asking people questions directly, provides the researcher the capability of seeing the expressions of the respondents, their feelings, their beliefs, their likes and dislikes. This kind of interview has been preferred, since for the purpose of this research in – depth information about the recruitment process in the hotels is required (Hinds, 2001).

More precisely, in order to obtain an understanding of the situation at the different hotels, I aimed to interview HR managers at suitable hotels in the area of Thessaloniki, and later decided that three representative hotels, not owned by the same chain, would suit my study. The subject of my qualitative study was the recruitment, internal and external, for both companies, through interview (10 relative questions) and a survey of the function of the correspondent HR Departments. The choice of the interviewed Directors has been

made in order to guarantee the validity of this study and provide an insight as to importance of the HR Departments for the smooth function of the three 5\* hotels.

### **3.3 Ethics in research**

According to Orb et al. (2000), ethical principles can be used in order to provide a guidance to the researcher, in order to address both the initial and the ongoing questions and issues that derive from the conduct of the research. The ultimate aim of this is, on one hand, to achieve the objectives of the research and, on the other, to maintain the rights of the people that take part in the research. This means that ethics provide a framework within which the researcher should rely upon and follow, during the conduction of the research.

For the purposes of the current research, all hotel managers were at first informed about the aim of the research and the importance of their participation. As a researcher I have ensured the anonymity and confidentiality of the data and of respondents' answers were guaranteed while respondents were ensured that all their answers would solely be used for the purposes of this research. Finally, there was no conflict of interest during the interpretation of the respondents' answers.

### **3.4 Sample of the research**

The sample emerged from the three hotels, where the Human Resource Managers had to answer the same type of questions, despite the distinctive characteristics of the hotels. The answers provided by the three HR Departments resembled each other and aligned with our expectations to keep a high level of trustworthiness in the interviews conducted. In some questions, the interviewed persons gave quite similar answers while in some others, they refused to contribute to this case.

All the star hotels in Thessaloniki are government approved with continuous control on the quality of services offered. Five Star Hotels are considered the most luxurious and conveniently located hotels in Greece, like the three hotels employed in our case. Five Star Hotels in Greece are globally competitive in the quality of service provided, facilities offered and accommodation option. These hotels are located mostly in big

cities and provide all the modern facilities for accommodation matching international standards in hospitality. In such type of hotel HR departments are established separately to execute and to match the concept of Human Resource strictly, HR professional are hired. I chose this selection of hotels because I would like to have at my disposal a broader perspective than one hotel chain would allow us.

**Hotel A:** (5\*) a modern hotel located in the city center, near the most significant sights and monuments of Thessaloniki, offers 130 rooms, 8 executive suits, a Greek traditional restaurant and 5 banquet halls with a capacity of up to 250 persons, for conferences and business meetings, mostly preferred by business travelers and executives.

**Hotel B:** a 5\* luxurious and fashionable hotel located by the sea, near the city center, mostly attracting Hollywood stars and leading fashion designers, includes an outdoor swimming pool, a sushi club and a famous Mediterranean restaurant, a range variety of meeting areas from 10 to 600 guests.

**Hotel C:** (5\*) an international luxury hotel, very close to the airport and Casino of Thessaloniki, with a capacity of 152 rooms and 34 suites, among its premises includes a Fitness Center, an Asian Spa and a variety of restaurants and lounges, ideal as a resort hotel for foreign travelers, business and pleasure.

## **CHAPTER 4. FINDINGS / DATA ANALYSIS**

In order to analyze the findings, thematic analysis has been used. Thematic analysis is “a method for identifying, analyzing, and reporting patterns (themes) within data. It minimally organizes and describes your data set in (rich) detail. However, it also often goes further than this, and interprets various aspects of the research topic” (Braun and Clarke, 2006, p. 83). According to Ryan and Bernard (2003), the themes stem from both the qualitative data and the researcher’s theoretical understanding of the phenomenon examined. There a number of techniques that can be applied in the identification of themes. For the purposes of this study, the chosen method are the following (Ryan and Bernard, 2003): a) word repetition, such as the words ‘internal recruitment’, ‘external recruitment’, ‘promotion’, ‘seasonality’, ‘staffing’, ‘incentives’; b) key-indigenous terms, such as ‘motivation methods’, ‘fit to organizational characteristics’ and ‘internal mobility management’; and c) key-words-in-context, such as ‘internal labour market’ and ‘seasonal employees’.

Based on the above, four themes have been identified after the comparison and analysis of the interviews of the hotel managers: (1) internal and external recruitment, (2) staffing the right employees, (3) promotions and incentives, (4) seasonality.

### **First thematic: Internal and external recruitment**

The hotels examined provided quite similar answers regarding their choice to attract candidates, most of all, internally. In large hotel chains the carrier opportunities are large, and sometimes international. Most vacant job opportunities are being filled internally, so there is a wide variety of a job possibility within the company. According to the HR managers of the hotels B and C, candidates recruited internally are already considered as an active part of the company, its corporate culture and basic lines, have been through the internal educations and it is more convenient for them to gain a carrier opportunity.

For hotel C, being a large hotel chain creates some difficulties in staffing for such a large network, when the quality and quantity of applicants is relatively poor. Most of the hotel’s operations are decentralized, the best managers are disappearing quickly and it is

frustrating to attract the most suitable ones in an efficient manner. Internal recruitment is usually used by the hotel, where the supply of managers is large and most positions are standardized. When a position is vacant, hotel C posts the job offer through an internal webpage. For hotel C, the interaction between the employer and the employee is paramount as it seeks personnel who have the right incorporated capacity which can contribute to produce a particular style of service. Additionally, staffing managers is facing the challenge of communicating and recruiting those candidates who match their ambitions. To this direction, the HR director of hotel B claims that 'Hotel B takes advantage of a staffing platform for internal mobility management for vacant positions'. He also emphasized on the fact that they offer their employees a strong incentive to be more competitive and a great career opportunity.

Accordingly, hotel A insisted on the fact that they are willing to relocate specifically the younger managers, based on their 'fit' to organizational characteristics. They explained that they are trying to be open-minded because the probability that some of the employees will get promoted in the close future, has a positive impact on their working behavior. Internal recruitment motivates them to stay in the company, under the conditions that they are able to get promoted and of course they are aware of that they could get promoted. Promotions play an important role for hotel B and C, at the same time, as a gesture of recognition and rewarding good behavior and willingness to contribute. Even non-financial incentives, nowadays, increase quality in service and make the candidates competent.

The relationships for both hotels, B and C, with their previous managers are already shaped and as a result, they have improved their internal mobility over the two years, avoiding checking and pre-screening techniques as criteria to their staffing process. Positions can be filled internally without being posted as recruiters can find information of the candidates with whom they have previous relationships. The Human Resources Director of hotel B claimed that advertising costs have been reduced significantly in cases that they received no answers or lack of interest for vacant positions. Hotel C centralized the most effective recruitment procedures in order to pre-screen and contact skills assessments of future managers faster and more efficiently. For that purpose, they created a brief but detailed list of competent candidates to give to hiring managers, in order to eliminate inefficiencies that delay the procedure.

Regarding the disadvantages of internal recruitment, hotel A stated that the best way is a mix of internal and external recruitment. New managers bring new ideas, although they might have the same experience with the previous ones. For hotel A, it is more challenging to recruit personnel from different areas, whereas new candidates from external sources are incorporated and adopted easily to their new tasks, as they are able to bring experience from their past fields. Hotel A prefers to use a combination of internal and external recruitment as it takes advantage by boosting the employees' willingness because of the 'fear' of external recruitment. According to hotel B, compared to former employees, the new candidates are more willing and forced to work.

The three hotels examined have an open external recruitment strategy, although the biggest part of their recruitment is being done internally. For hotel C, being part of a large chain has a large supply of candidates to select from, as it can offer a wide variety of career opportunities. For hotel C recruitment is perceived as an investment. Taking in consideration that the measures taken are based on non-financial criteria, staffing the appropriate candidates is quite difficult to be estimated on monetary terms.

Traditional media advertising, including newspapers, magazines and radio is a part of the hotel's annual expenses. The HR manager of hotel C confirmed that posting positions in newspapers is very costly, although this is the most common way to attract candidates externally. The hotel C posts open job opportunities via mail or on its official site so that everyone has access and a chance to view all open positions. For the HR department of hotel C announcing the vacant positions online, enables an easy way to communicate with the future candidates from all over the world, and manage the numerous open job requisitions thoroughly. An advantage is that the company has no limited supply of new staff and can choose among employees with different skills and educational background. Hotel B advertised on websites, in newspapers and has links with hotel faculties, although the most important source of recruitment comes from the website and applicants who approach the hotel.

### **Second thematic: Staffing the right employees**

The first movement for our hotels is to identify the basic short and long-term recruitment

need, in order to facilitate the recruitment process. All managers gave quite similar responses concerning this section. By using a detailed job description where appropriate, the HR Departments of the three hotels, they develop clear and concise job specifications. This helps the potential candidates to know what is expected from them and how they will be evaluated. A job description normally underlines the fundamental training and education required by a future manager. It illustrates duties and tasks of the job. When the job description is arranged, it can be used as a basis for interviewing candidates, orienting a new manager and therefore in the evaluation of the job performance. Using job descriptions is part of good management.

The next step is to obtain approval for recruitment initiatives in accordance with the enterprise policy. Once the recruitment process is being introduced, the companies create, approve and disseminate advertisements for positions in accordance with enterprise policy and legal requirements. The HR Director of hotel C told that, a hiring committee on behalf of the entire company, identifies and communicates recommendations for improvements in recruitment processes to appropriate colleagues promptly. Hotel C informs the applicants of decisions and provides other recruitment information within reasonable timeframes.

Table 1. Most important hiring criteria for Hotels A, B & C

<b>Criteria</b>	<b>Ranking</b>
Relevant work experience	1
Degree/Diploma	2
Personal motivation	3
Age	4
Good written and verbal communication skills	5
References	6
Other (Gender, Nationality, Status)	7

Source: Research findings

Table 2. Recruitment Methods for Hotels A, B & C

<b>Procedure</b>	<b>Ranking</b>
Word of mouth	1
Internet	2
Newspaper ads	3
Employment agencies	4
Public employment service	5

Source: Research findings

The above criteria are estimated and related to certain job positions, those of Head of a Department, General Manager, Executive Assistant Manager and Resort Manager.

HR Managers of the three hotels were asked to rank the most important hiring criteria in the recruitment process. According to the findings, 'relevant work experience' was ranked first and considered major need in hiring process. The educational background ranked second and personal initiation was placed third. 'Age' and 'Communication skills' were considered crucial while, references were placed last. Regarding the recruitment methods, applied by Hotels A, B and C, word of mouth is indicated as the most common method, internet and newspaper ads were placed next. Human resource consulting firms and OAED play an additional role in attracting suitable employees. As a result, such hotels tend to recruit staff from the same region rather than abroad.

Thus, having a detailed job description regarding the recruitment criteria facilitates the potential applicants' task. If future managers who are interested in a vacant position have a clear understanding of the requirements, they can be able to communicate effectively and desire to join a hotel company. In addition, identifying the most significant criteria for certain job positions, makes much more likely for the company to find the most suitable employees.

### **Third thematic: Promotions and incentives**

The HR Director of hotel B declared that the most important factor for success is to deliver a good value to employees while providing customers with a high quality of services, otherwise they can lose their interest. If she notices that someone in the personnel of the company is discouraged or not being motivated, which is not a rare situation nowadays, she tries to develop new ideas and maintain the good relationship with them. Then, it is vital to give them new opportunities and strong incentives to work.

Hotel C has a strong incentive compensation system, based on monetary rewards. Trainees also offered an initial salary increase relative to efficacious fulfillment of the program and promotion into their first Human Resources management position. The Corporate Human Resources Management Training Program gives the opportunity for a diverse, rotating training program, for managers who are keen on the Human Resources function of hospitality, and precisely those who ultimately intend to pursue Assistant Director and Director of Human Resources positions within the hotel.

The HR Director of hotel C claimed that the employees feel like an active part of the hotel, and they are working efficiently for the same reason. The motivation of the staff is measured annually as they tend to associate the needs of the employees with the insight of such a large company. For those managers who are concerned about their carrier, promotion is the main component for motivation.

For hotel A, things are a bit different, as they chose to remove this system, due to the decreased quality in the services. Managers are not paid extra despite the extra services provided. Internal recruitment is considered as the main incentive to motivate them, under the assumption that they show interest to relocate. Naturally, those who are not concerned to relocate, remain competent as well, even though they are not interested in promotion.

Unfortunately, the question regarding the promotions, was not answered properly by the HR Department of hotel B, so the answer could not be interpreted on a right way. We are not sure if this kind of internal recruitment is implemented, at the moment, by the hotel. In any case, there must exist a possibility that managers get promoted in order to discuss whether promotions work as an incentive for relocation. The HR Manager of hotel B told that they have a policy to alternate the duties of the employees in order that everyone in the company is benefited from the multitask knowledge required of such alterations.

#### **Fourth thematic: Seasonality**

According to the responses given, the recruitment strategies of the three hotels depend on the number of guests, as a result of the seasonal variations. Thus, the duties and the working tasks are assigned in accordance with the demand. One of the purposes was to identify any possible changes in the number of managers, determined by the seasonal demand. There is dependability between the HR department and the variation of tourism demand. Although hotels B and C can be seen as resort hotels, as well, they operate all-year round so they do not face the same challenges a seasonal tourism company does. Recruiting the adequate number of employees while spending less money on orientation and training is considered as an important human resource approach for conversation,

for all different types of tourism companies. What makes the issue even more challenging is that our hotels have to retain professional staff while relying on low-skilled employees, as the hotels' top managers are not seasonal employees.

In the field of hosting services, the objective is to maximize the general revenues from the sale of rooms. Any strategy adopted by the managers of the hotel is the forecast of potential demand and the price that could be charged to the room each day over the next month or next year. The key is the proper personnel management and effective communication between all levels of management.

Most important in the management of a hotel is the Capacity Management, based on the ability to predict demand. Under conditions of perfect information and complete predictability of all the factors that can affect the demand in the hotel industry, the company would be able to reduce the supply in times of low demand (Low season) and to increase in periods of high demand (High season). This, however, does not happen in reality, so our hotels emphasize in short-term profits, techniques dealing with tourists as objects of a "transaction", a rather limited behavior of Sales Department. This in turn can lead to maximize the utility of capacity during periods of high season where there is high occupancy in hotels, but this successful path is not continued in low season. In our country during times of low capacity, such phenomena are observed, such as the decline in the quality and variety of services, reduction of seasonal employees, or even shutdown of the hotel.

To solve these problems, especially the seasonal completeness found in Greece-managers of hotels B and C confirmed that they try to create loyalty (loyal customers) that will ensure a constant proportion of customers, are trying to systematically organize and satisfy forms of tourism such as romance tours or archaeological tourism, which proved independent of seasonality, maintain personal data of customers in order to recognize their preferences and reduce operating costs, offer a trial of some of the hotel's services (spa, amusement), offer rooms and services at discounted prices or make special offers even at the last minute.

Moreover, regarding the Human Resource Management, free services or accommodation are offered, low prices for friends and acquaintances of employees, potential career

development or employment partnerships with subsidiaries in other countries (a practice of hotel chains), even percentages over the profits during periods of high occupancy, techniques that reduce the rate of turnover and increase employee involvement and commitment to the business.

## **CHAPTER 5. FINDINGS**

### **5.1 Discussion of findings**

The importance of acquiring and maintaining the right employees can be clearly examined in our case, in terms of synchronizing the aims of individual employees with the strategic goals of companies. All the information gathered from the interviews and the survey based on the annual reports and hotel reviews, represent the human resource management's view and their attitude towards the new employee and the 'company culture'. Organizations may prefer to fill a vacant position from the internal labor market, that is, from inside the organization, or from the external labor market (Beardwell and Holden, 2001). In the case of hotels that took part in the current study, most vacant job opportunities are being filled internally. Consequently, the hotels make use primarily of the internal recruitment, despite the fact that they have an open external recruitment strategy.

In addition, the hotels claimed that there is an allocation of employees based on the characteristics of job positions. It is important to allocate employees into positions where success is often determined by the degree of match between an individual and his/her organizational department. Staffing former managers based on their past experience and references increases the hiring quality and reduces costs, for all kind of hotel units.

Another issue stemming from the interviews is the fact that, the advertising cost plays a dominant role in the need of the three hotels to recruit the appropriate managers. However, the new technologies (Internet and social media) can be a solution to this problem. What should be mentioned is that, with extensive advertising the hotels recruit the new applicants on an internship program, every year, mostly trainees that live in Thessaloniki and the surrounding areas. An important aspect of this action is that the new workforce has previous knowledge about the city and the main demands of their work as a part of a well-known Greek hotel. The new staff is expected to work without comparing its salary or bonuses to other departments in the hotel.

Recruiting people to existing or new positions is crucial in the hospitality industry and the importance of "quality" service quality has been emphasized on the need to attract

the appropriate type of employee (Nickson, 2007). In our case, this may result in the exclusion of certain people from the labor market, such as persons that are not aesthetically accepted. A successful hospitality organization consists of gifted employees (Hornsey and Dann, 1984) and how it effectively manages its human resources (Teare, Farber Canziani and Brown, 1997). A hotel may possess the most developed technology, luxurious facilities and enviable location but without appropriate human resources the business will ultimately fail. As hotels become standardized, and as hotel corporations offer vastly similar products and services, the human factor is considered to be crucial in gaining competitive advantage (Knowles, 1998). Thus, the task of differentiating the hotel's intangibles assets, such as its personnel, becomes crucial in developing and maintaining competitive advantage (Lashley and Taylor, 1998).

When it comes to the staffing of the right employees, it becomes clear from the analysis of the interviews that the hospitality industry in the three hotels relies mainly on the internal labour market. The recruiter and candidate's behaviors are a function of cultural differences. Consequently, disregarding cultural differences in the selection process of individuals from diverse ethnic origin may eventually provoke probable discriminatory practices.

Regarding promotions and incentives in the three hotels examined, the top management and HR decide upon the promotions, which can be seen as an important part of the internal recruitment. The promotion helps to fill gaps in the organizational structure quickly. The HR identifies the high potential employees and top performers to utilize them fully as the organization builds the competitive advantage. But in some cases, promotions are not usually advertised so the other managers cannot achieve or take advantage of them. Other times employees tend to complain about those vacant positions filled by the internal promotions. HRM can be seen as an attempt to influence power relationships in an organisation (Jacques, 1999). However, among the hotels examined, only one hotel has a strong corporate culture regarding the incentives they provide.

Finally, we have seen that seasonality plays a crucial role in the recruitment process. According to the responses given, the recruitment strategies of the three hotels depend on the number of guests, as a result of the seasonal variations. Thus, the duties and the

working tasks are assigned in accordance with the demand. This leads us to the conclusion that strong seasonality faced by the Greek hotel industry affects the success of the hotel units in the country. The strategies that the hotels use in order to anticipate the problem of seasonality is the increase of consumer loyalty, price adjustments, and the build of alliances - partnerships with other public or private entities

## **5.2 Implications**

Organizations may prefer to fill a vacant position from the internal labor market, that is, from inside the organization, or from the external labor market (Beardwell and Holden, 2001). Recruiting people to existing or new positions is crucial in the hospitality industry and the importance of “quality” service quality has emphasized on the need to attract the appropriate type of employee (Nickson, 2007). This may result in the exclusion of certain employees from the labor market, such as persons that are not aesthetically suitable. A successful hospitality organization consists of gifted employees (Hornsey and Dann, 1984) and how it effectively manages its human resources (Teare, Farber Canziani and Brown, 1997). A hotel may possess the most developed technology, luxurious facilities and enviable location but without appropriate human resources the business will ultimately fail. As hotels become standardized, and as hotel corporations offer vastly similar products and services, the human factor is considered to be crucial in gaining competitive advantage (Knowles, 1998). Thus, the task of differentiating the hotel’s intangibles assets, such as its personnel, becomes crucial in developing and maintaining competitive advantage (Lashley and Taylor, 1998).

Cooperation among all levels of management within a hotel makes the organization develop. An effective and dynamic organization must have an agreement between employer and employee. Within this context, the role of human resource is changing and advancing progressively. It is a challenge for the organization to stay up to the mark. In fact, HRM can be seen as an attempt to influence power relationships in an organization (Jacques, 1999). Adopting good HR practices makes this job much easier. An organization that contributes to the welfare of their employees and provide them a warm working environment that motivates them to grow while maintaining their own identity are the organizations where employees are willing to stay longer and exhibit their potential. A satisfied workforce symbolizes growth of the organization. In fact, well

organized practices eliminate the gap between what is expected from the new managers and the competency levels of the available talent pool.

The open management style ignites the demiurgic endeavors of the employees. Paying out bonuses or having any kind of variable compensation is based on the fact that an effective work needs an appreciation. Bonuses must be designed in such a way that all employees realize that their efforts are recognized and appreciated accordingly. Rewards can motivate and build up a common trust that guarantees the team's success and the individual's willingness. In addition, evaluating employees based on their performance and the targets of the organization lead to a balance. A fair value system encourages a culture of participative management where the personnel is an interested party to the company's strategic decisions. A hotel should always provide complete knowledge to the employees, greater access to information posted either by the company or the employees, and initiate suggestions. Information should be available in a way that people share innovative ideas and common views. Problem-solving and team based incentives enhance the skills of the employees.

These practices encourage team-work and great feedback is essential in such cases a company aims to gain competitive advantage. A positive work environment is vital not only for the mental and emotional health of the employees but for the productivity and efficiency of a company. Less stressful conditions embrace the most constructive feedback, both for the company and its workforce. Creating a culture where the details of business are shared and discussed motivates the managers to take responsibilities and face the potential risks easily and effectively. Employees do not feel confident where the facts are hidden and they are obliged to contribute on strict guidelines.

Many times, the hotel's management invests on the renovation / modernization or expansion of the capacity of the hotel, as well as the strengthening of a climate of renewal that affects its success. Of course, this refers to the planning and innovating the hotel's brand image, combined with credit and financial strength of the company. In addition, the Directorate and the Management of the hotel decides to merge with other units or chains to increase their penetration in different markets, or to create added value for their shareholders, whereas they are listed.

Many hotel managers, in order to face the reduction in their income, during the low season, promote the relationship and cooperation with distribution channels, particularly the tour operators, with whom sign mutually beneficial agreements to avoid late payments, pressure for price reductions and ensure a steady number of customers during the entire season. Apart, however, from tour operators the hotel managers build alliances - partnerships with other public or private entities. These may be the Ministry of Tourism, Greek National Tourism Organisation, the Hellenic Chamber of Hotels, the Association of Greek Tourism and Travel Agents, the Association of Greek Exhibition & Conference, airport services, municipalities, ports, environmental organizations and faculties. With these collaborations a hotel creates a value chain, achieves competitive advantages and strengthens its efforts to maintain high occupancy levels, which leads to small fluctuations of revenue streams. Consequently, alliances or partnerships with private and public stakeholders influence the welfare of hotels in Greece.

It seems quite clear that most of Greece's inadequacies regarding the human resource management are associated with the lack of a quality education for hospitality professionals. What is more, the limited implementation of HRM strategies is the main cause for misunderstandings and lack of communication between management and staff. By reinforcing managers' involvement with business practices, they will be better equipped to implement scientifically proven approaches to recruitment and selection of employees. Although, the working experience is not always necessary, donating money and resources to hospitality education programs would be a notable movement for the three hotel companies. Furthermore, all hospitality managers in Greek hotels would be well served by tightening recruitment and selections processes and criteria, and focusing on the acquisition of skills and capabilities within the hotel environment (on-the-job training). On-the-job training remains the predominant way of training for all kind of businesses. Scientific or educational programs, for example leadership development, would help managers to complete their duties successfully and maintain the employee's satisfied.

Employers tend to assign employees related to their "fit" to job and organizational requirements. With the progressive nature of tourism and hospitality industry, the viewpoint of perceiving fit as a screening technique for employee allocation would be more helpful. This happens due to the company need to wisely adjust duties to employee

in order to be antagonistic. This screening notion recommends that organizations attempt to place individuals whose competences, experience, abilities and ambitions into concrete units or duties to supplement the organizational leaders or alter the environment to a “unit” by occupying an existing vacant position, often mentioned in the literature as ‘complementary fit’.

### **5.3 Recommendations**

Finally, a set of recommendations should be made regarding the above mentioned implications and findings. First, the hotels should ensure that all the employees are aware of the corporate culture, so as to be productive and work towards the achievements of hotel’s goals. Both the organizational culture and the organizational structure are crucial in the attraction of workforce in the hotel industry (Chacko et al., 2012). The culture of an organization is a predictor of the beliefs and values adopted by the members of the organization, as well as its working environment, and profitability (Ismat et al., 2011). According to the international bibliography, there is an interrelation between organizational culture, organizational structure and organizational strategy. In fact, the culture of an organization affects its strategy implemented and relates to its structure (Lunenburg, 2012; Ahmadi et al., 2012).

Based on the above and the interaction between organizational culture and organizational structure and within the framework of their implication in the recruitment process, the determinants of organizational culture should be presented, as they can affect the attraction and retention of employees. Ismat et al. (2011) found that the determinants of the culture are the working hours of the employees, the working experience of the labor force, the language, the infrastructure, the orientation of the group, the organizational behavior, the activities non-related to work, attire, and the degree of frankness. Lankford and Mintu-Wimsatt (199) identified 14 determinants of organizational structure: external versus internal emphasis, task versus social focus, safety versus risk, conformity versus individuality, individual versus group rewards, individual versus collective decision-making, centralized versus decentralized decision-making, ad hocery versus planning, stability versus innovation, cooperation versus competition, simple versus complex organizations, informal versus formal procedures, high versus low loyalty, and ignorance versus knowledge of organizational expectations.

Zhu (2013) acknowledges seven dimensions of organizational culture: goal orientation, participative decision making, innovation orientation, structured leadership, supportive leadership, shared vision and formal relationships. Finally, given the fact that the organizational culture is a set of beliefs and values that affect the behavior of people in it and consequently the way the organization operates, one could assume that the organizational culture can be managed and/or changed via its key points of leverage, which are recruitment and selection of the working force, training of employees, performance reward systems, participation of employees, interpersonal communication, leadership, structure, policies, procedures and allocation of resources (Willcoxson and Millett, 2000).

Apart from the promotions, other incentives that could be used from the hotels are strategies for the development of personal and professional skills. This lies on the assumption that the economic incentives are no longer effective. On the contrary, there are other motivation methods aiming at other than economic benefits. The organizational behavior literature mentions another one theory regarding motivation methods, the expectancy – valence theory of motivation (Emmanuel et al., 2008). According to this theory, the setting of specific targets by the company, as well as the higher level of difficulty of these targets, can lead to focus attention and effort and as a result to an improvement in task performance. Within this framework, employees who are goal-oriented are likely to be motivated to achieve a target. The target achievement may be irrelevant to monetary rewards, but they may for example include goals which are linked to corporate social responsibility.

The outcome – based theory of work motivation identifies four types of motivation (Cadona et al., 2003):

- Extrinsic motivation: this motivation is based on the rewards an employee expects to receive from the company. For example, an employee may work more time, because he expects to receive the overtime payment.
- Intrinsic motivation: this motivation is based on the implications that an action has on a person. For example, an employee may work overtime, because he gains a satisfaction working on a specific project.
- Contributive motivation: this motivation is based on the implications that an action is expected to have upon the reactor. For example, an employee may work

overtime or even harder, because he wants to contribute to a greater extent to the goals and aims of the company or the organization.

- Relational motivation: this motivation is based on the impact that an action is expected to have on the relationship between a person and the reactor. For example, an employee may work overtime, because on the opposite case he/she would be fired.

In contrast to other motivation methods, those which are based on intrinsic factors have gained more attention, since constitute a type of motivation that leads to highly valued outcomes such as creativity, quality, spontaneity, and vitality. On the contrary, extrinsic motivation factors lead to desirable consequences which have no relation to the activity itself, such as tangible rewards (Reinholt, 2006).

However, the most important is that hotel managers are aware of the challenges in the hotel industry. These challenges derive apart from the issue of seasonality from the intense competition among the hotels based on the tourism destination competition, the new forms of employment, the decrease of consumer demand as a consequence of the decrease in the available income, the abilities offered by the information technology and the economic policy (Velissariou and Apladas, 2008).

Furthermore, based on the finding that the advertising cost is high, it is suggested the use of the new technologies, such as the social media. Social media can also be used in the attraction of customers and the creation of loyal consumers, in order to anticipate the problem of seasonality, as it was proposed by the hotel managers who took part in the research. As it has been mentioned by Zhang (2011, p. 83) “the emerging web 2.0 and social software applications open up a new horizon for companies to engage in a more exciting and meaningful relationship with customers”. The primary reason for which customers engage with various organizations via social media is to feel connected (Baird and Parasnis, 2011). Other factors that drive consumers to interact with an organisation via social media are the following: review and ranking products / services, get discount / coupons / special offers, obtain general information about the existing or new products / services, participate in various events, submit opinions about existing and suggestions about new products / services, and be part of the community (Baird and Parasnis, 2011).

All these can be used from the hotels to anticipate the problem of seasonality that in turn affects the recruitment process.

Social media can serve as a means of acquiring new customers, based on the social influence theory. Given the rapid expansion of technology and the continuous increase of users of social media, one can understand that the acquisition of new customers in the information society can be achieved with low cost and in little time. Schweidel et al. (2008) have found in their study that there is a positive relationship between the time an organization acquires new customers and the duration of customers' retention. Schweidel et al. (2011) argue that consumers who have either extremely negative or extremely positive opinion about a product / service are more likely to post their opinion in an online community, in comparison to the consumers with a more moderate opinion. If one combines this assumption with the theory of social influence proposed by Nistor (2001), then one could see the relation between new media technologies and social software with the word – of – mouth communication (WOM). WOM activities in an online environment can be viral marketing, referral programs or community marketing (Trusov et al., 2008).

Heyne (2009) mentions that WOM plays a prominent role in marketing, since it has an impact on the consumers' preferences and awareness for a product / service. As Sernovitz (2006, p. 58) suggests, there are four advantages of WOM: a) it reduces the cost that an organization bears so as to attract new customers, b) it serves as a free advertisement, c) it leads to a higher return in comparison to the traditional advertisement and d) it enhances the salespeople to be more productive. People can influence and be influence from the perceptions that other people have (Nistor, 2011). Both WOM and customer loyalty can be determined to a great extent from customer trust and satisfaction (Meiners et al., 2010). What is of great interest is the theory of "Information Highway" proposed by Hocutt et al. (2006, p. 199), regarding the importance of WOM in the today society of information and technology. The authors argue that the various online communities and web sites give the people the possibility to share their opinion about a product / service offered by an organization. This is true since internet and social online communities are characterized by multimediality and an extremely high level of interactivity.

In addition, social media and online communities, due to the dialogue they offer between consumers and Organisation, can be useful in the evaluation of the brand sentiment and its elements (Schweidel et al., 2001). Consequently, new media can be incorporated into the marketing campaigns of an organization aiming at increasing the consumers' loyalty to the organization. Apart from this, Goldie (2007, cited by Pustynick, 2011) argues that advertising in the social network sites and online communities can be used in order to raise the awareness of the consumers about a brand.

Technologies are expected by the customers to deliver high quality and personalized services. Thus, technology channels are considered to be the core stone of the retail banking, since all services and applications that will fulfill consumers' expectations regarding the personalization and the service quality, such as mobile, e – mail and social media, are important differentiators for the customer satisfaction; therefore they are the key in building loyal customers, in retaining these customers, in increasing the market share and in enhancing hotels' sales and profitability.

## **CHAPTER 6. CONCLUSIONS**

### **6.1 Conclusions**

It is common knowledge that tourism and especially the hospitality industry is a difficult and sometimes complicated sector to analyze. After studying scientific articles, books and journals I tried to conduct a survey and give a clear view of the recruitment strategies in three of the most well known luxury hotels in Thessaloniki. This thesis aims to examine and identify the basic terms of internal and external recruitment, the most important advantages and disadvantages, the seasonality of recruitment in our country and the suitability of the employees.

Human Resources Management is crucial to the delivery process of tourism products. The concept of 'internal marketing', where employees are perceived and treated as 'internal customers' has to be utilized in order to ensure their satisfaction. 'The satisfaction of the needs and wants of the internal customers can upgrade their capacity for satisfying the needs and wants of their external customers' (Berry, 1981, p. 34) and as a consequence, it can contribute to the competitiveness and profitability of Greek tourism and medium-sized tourism companies, satisfactory salary and working conditions and prerequisites for the wellbeing of employees (Buhalis, n.d.). The focus that hotels should pay on the recruitment process derives from the fact that the planning of HR and especially recruitment helps the hotel organization to reduce the cost in hiring personnel, minimize the contradictions between existing and potential employees and deal with the future needs of the hotel demand (Velissariou and Apladas, 2008).

It is beneficial for hotel companies to use their existing personnel, given that their staff knows its duties, understands the company and thus can prove more competent. Molander (1996) claims that the main advantage of internal recruitment is its potentiality to create a culture of faithfulness and job security among all employees, which can be complicated to achieve otherwise. Another advantage is the less effort and time that can be spent on advertisement and also a way of reducing training costs that an external employee would need to become familiar with the organization.

According to Hessner (2009), the manager practically thinks of recruiting and staffing

the appropriate individuals and then maintaining them, as the most vital determinant for an organization. Because when this happens, the company is able to give solutions to their problems and take advantage of possibilities that may occur, in a better way. The importance of keeping the right employees can be clearly viewed in our case, in terms of synchronizing the aims of individual employees with the strategic goals of the companies.

All the information gathered from interviews and survey based on the annual reports and hotel reviews, represent the human resource management's view and their attitude towards the new employees and the 'company culture'. This culture is crucial in the retention of the workforce, the sustainability and growth of the hotels especially those which face the problem of seasonality, as well as the creation of loyal customers.

## **6.2 Suggestions for further research**

The first limitation of this research is the small sample, which in addition comes only from a geographical region of Greece. Consequently, the results of this study cannot be generalized and be used as a guide by other hotel managers without consideration. Therefore, it is suggested that further research occurs in the future, which will employ hotels from all parts of Greece, as well as from islands, where the problem of seasonality is bigger. Furthermore, a future study may examine in detail either the effects of the internal and external recruitment on a hotel company's profitability and revenues or the problem of seasonality and the strategies used from hotels in order to anticipate this issue.

Finally, a comparative study between Greek hotels and hotels in other countries would be useful in order to extract conclusions regarding the recruitment strategy of these hotels, the effect of this strategy, as well as strategies used in addressing the problem of seasonality. This kind of research could draw conclusions that would be helpful in the Greek hotel industry's viability and growth.

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## **APPENDIX**

### Interview Questions

#### **Human Resource Practices in Hotel Industry – Recruitment**

1. How do you find qualified people and encourage them to apply for work? On which criteria is your estimation based? (via Internet, referrals, employment agencies etc.)
2. Do the job-related skills and knowledge (education, training, work experience, referrals) oversubscribe the personal attributes (personality, physical characteristics, interests)?
3. Does your company follow a specific recruitment procedure to recruit new applicants for vacant positions?
4. How do you ensure that a job position is suitable and matches the skills of an applicant?
5. Do you use external sources, such as advertising in newspapers and publications, as a manner to attract the interest of qualified applicants?
6. Advertising is an expensive alternative but the most common way. How do you reduce the recruitment costs?
7. Or is it more practical to recruit applicants among those who are currently employed? (or former applicants)
8. Do you use application forms in order to create a pool of acceptable applicants and to predict which candidates will succeed on the job?
9. Does your company offer opportunities for further personal improvement and promotions?
10. How do you face seasonality in tourism industry and how do you predict the demand?