

Evaluation of Hotel Performance Indicators and Human Resources Management Parameters in Epirus, N.W. Greece

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Abstract: *In a customer oriented industry like the the hospitality industry, it is vital that human resources are propelry managed and skilled so as to preserve the customer's experience and maintain the hotel's operation and profitability. The purpose of this paper is to measure performance indicators of Hotels in Epirus region in NW Greece. Data was collected randomly from a number of category A and B Hotels (n=31) using a telephone and internet survey. Most of the hotels did not have a recorded voice message. The majority of the staff excibited excellent response – communication manners and an overall satisfactory level of communication skills. All hotels had an internet site and advertisements but most of them had a very low response rate to email requests for online reservation. Staff's level of English Language comminication skills over the phone was quite satisfactory in all of the hotels of our survey. A lower level of foreign language skills was exhibited regarding French and German. The results indicated that hotels should improve their Human Resources Management (HRM) policies and strategy in order to improve their services to potential customers inquiring for a booking. This improvement could be mediated with HRM policies such as resourcing, training and development with positive outcomes in employee skills and employee behaviour.*

Keywords: *Human Resources Management practices, hotels,organizational performance, communication, Greece.*

1. INTRODUCTION

Over the past decade, several studies have been made in international level regarding the positive relationship between Human Resources Management policies and practices and organizational performance (Purcell *et al*, 2003; Wright *et al*, 2005; Alcazar *et al*, 2005; Boselie *et al*, 2005; Rizov & Croucher, 2008). The increasing markets' globalization and the continuous changing business environment has led business organizations to employ human resources management practices so as to be able to compete effectively (Voudouris, 2004).

In all types of industries, the level of employees' dedication has been one of the most important indicators of an organization's performance. Within an organization, human resources perform a range of vital activities and tasks; they design goods and deliver services, control quality, set organizational strategies and objectives, etc. In this context, human resources is the most important organizational resource since without the labour force no business can be done (Milkovich & Boudreau, 1997).

In the hospitality industry, the issue of human resources management is of outmost importance. Hotel and catering personnel management, in the past, had suffered a poor image (Worsfold, 1999). Especially in smaller hotels, personnel management was "well down in any order of priorities" (Kelliher & Johnson, 1987).

In a labour-intesive industry, like the hotel industry, products and services are rarely truly replacable, making vital that human resources are propelry managed and skilled to preserve the customer's experience and maintain the enterprise's operation and profitability (Phillipakos, 2009). In such a customer oriented industry, effectiveness is often linked with the individual qualities of the enterprise's employees (Lockyer & Scholarios, 2004). Its success depends on the technical and social skills of the hotel industry's human resources, their hard work, commitment and attitude (Gabriel, 1988, Anastassova & Purcell, 1995). Issues like: quality, service and communication are vital factors in order to give the organization its competitive advantage, assist in achieving its objectives and lead to excellence (Cheng & Brown, 1988; Mohinder, 2004; Krikeli *et al*, 2006).

In the service sector, a number of quality criteria have been outlined (Parasuraman *et al*, 1988). These include: the ability of the customer to have *access* in the hotel's services without problems, the ability of *communication* between the customer and

the organization's staff, *employee' education, politeness and eagerness* to serve the customer and the availability of *tangibles*, i.e. communication materials and equipment used to advertise the organization's services.

Since World War II, tourism has become one of the most important social and economic activities, crucial to many national and local economies worldwide, in particular where traditional economic activities are in decline (Becic & Crnjar, 2009). Many countries seek to develop tourism for its various economic and social benefits such as additional income, foreign currency earnings, cross cultural exchange and employment (Dritsakis, 2004).

Greece is a popular tourist destination. It is a developed country with a high economic reliance on the hospitality industry which is a significant employer and economic contributor. In 2010 for example, the tourism sector in Greece accounted for 15,3% of the country's GDP and employed 17,9% of the labour force - employing 746.200 people in total (SETE, 2010). Although the hospitality industry constitutes a large part of the country's economy, there is no extensive research regarding the industry in Greece, especially in the field of the industry's human resources management issues (Phillipakos, 2009).

There are many aspects of human resources management (HRM). On this paper, we focused on specific HRM factors; employee skills (knowledge of foreign languages, communication skills) and employee behaviour (politeness, effort to serve and help the potential customer).

2. THE STUDY

2.1. Methodology

A hotel survey in the region of Epirus, NW Greece, was carried out in 2010 during the summer season. The survey was conducted in randomly selected A and B category hotels (n=31).

In each case, the time and date of the communication with the hotel was registered. The time of the response to our telephone call and email communication was also registered.

Overall, during our survey, the following parameters were registered:

- Time response to our phone call.
- Presence of recorded voice message and type of language (Greek, English, German, etc).
- Overall staff' response to our communication (clarity, service, manner).
- Whether there was an option given to reserve a room over the phone.
- Whether there was an option given to reserve a room over the internet.
- Level of staff' language skills.
- Hotels' presence in the internet.

2.2. Results

The data of the survey are presented in Table 1. The hotels' staff time of responding to a phone call ranged from 2-11 seconds. Significantly faster response time was exhibited to category A hotels.

There was not a recorded voice message in both A and B category hotels of our study. Only a small fraction of category A (18%) and category B (20 %) hotels had a recorded voice message.

The majority (76%) of category A hotels' staff exhibited excellent response – communication manners and a very satisfactory communication skills performance overall. The remaining percentage (34%) of category A hotels of our survey exhibited *flat* communication skills with a less welcoming behaviour to our telephone conversation.

Regarding category B hotels, the majority exhibited good communication manners (68%) with a small fraction of them exhibiting very satisfactory response manner and communication skills. A minority (19%) of the hotels exhibited a below average response manner. For example, in one case when the hotel staff was asked for “the price of a double room” they responded vaguely by giving an approximation of the price, while we were unable to obtain any further details regarding the hotel's rooms and the overall hotel services.

All hotels in our survey were present with internet advertisements. A very low response rate to email attempts for a room reservation over the internet was exhibited in both hotel categories.

Only 19% of category A hotels responded to our email request for a room reservation. Surprisingly enough, category B hotels exhibited higher response rates (41%).

TABLE 1: Evaluation score of Category A and B hotels in Epirus region, N.W. Greece.

| <i>Parameters</i> | <i>Category A</i> | <i>Category B</i> |
|---|-------------------|-------------------|
| Seconds to (telephone call) respond (mean± s.dv.) | 3.6(±1.95) | 4.9 (±3.52) |
| Presence of Recorded Voice Message | 18% | 20% |
| Overall friendly response manners with clarity of communication (best score 100%) | 75% | 68% |
| Option given by hotel to reserve a room over the phone | 100% | 100% |
| Response rate (within 7 days) for online room reservation | 19% | 41% |
| Internet Presence (dedicated hotel web site) | 100% | 100% |
| <i>Staff' Proficiency in Foreign Languages</i> | | |
| English | 100% | 100% |
| French | 40% | 13% |
| German | 30% | 20% |

The level of English Language communication skills over the phone was quite satisfactory in both category A and B hotels of our study. A lower level of foreign language skills was exhibited regarding French and German.

3. DISCUSSION AND CONCLUDING REMARKS

Regarding staff's foreign languages' proficiency and communication skills, the results of our study indicated a lack of sufficient skilled personnel in French and German Language.

In the tourism industry, the knowledge of foreign languages constitutes a vital condition for the effective communication with the customers and an essential factor of quality of the service provided (Velisariou & Krikeli, 2008). Foreign language communication skills are highly valued for the employment of personnel in the hospitality industry in Greece. It has been emphasized in a relevant study regarding tertiary education tourism graduates in Greece, that skills such as knowledge of foreign languages is the most significant factor for acquiring a job in the tourism industry (Moira *et al*, 2004).

The lack of knowledge of foreign languages has been emphasized - by national tourism organisations not only in Greece but in a number of other countries internationally- as a lasting problem and even as a competitive disadvantage (Jonckers, 2005). Studies internationally have revealed a lack of knowledge in foreign languages and poor communication skills of the hospitality staff (Aitken & Hall, 2000; Russel & Leslie, 2004; Juwaheer & Ross, 2003; Martin & Davies, 2005).

In Greece, relevant research has indicated that most of the country's inadequacies in the field of human resources management begins with a lack of a quality education for hospitality professionals (Christou, 1999; Phillipakos, 2009). There are studies in Greece showing that graduates are sometimes considered by major employers to be an 'expense' (Goldsmith & Smirli, 1995) rather than an 'investment'. This contrasts with a commonly accepted principle in modern human resource management, where human resources are seen as a vital investment for the prosperity and success of all organizations (Jackson & Schuler, 2000). The human factor in the hotel and generally the service industry constitutes a vital factor of quality (Becker & Wellins, 1990). Continuous employee training helps organizations to achieve their objectives by adding value to their key resources, ie. their workforce (Katou, 2008).

The results of our study indicated that hotels should improve their HRM policies and strategy in order to improve their services to potential customers inquiring for a booking. This improvement could be mediated with HRM policies such as resourcing, training and development with positive outcomes in employee skills and employee behaviour.

Workforce training and development, is amongst the basic elements of human resources management in any type of industry. The right training and development of human resources in hotels should include programs for learning foreign languages (Velisariou & Krikeli, 2008).

Moreover, best Human Resources Management practices in the hospitality industry should include appraisal systems, training and continuous skills development (Katou, 2008), empowerment and team working (Anastassova & Purcell, 1995; Buick & Muthu, 1997). In terms of service quality, the behaviour of the service provider is very important (Sparks, 1994; Mohr & Bitner, 1995).

It is self evident that industries with a higher level of intangibles, as in the case of the hotels' industry, would largely benefit from its employees' commitment to service by the adoption of HRM policies (Worsfold, 1999; Haynes & Fryer, 2000).

Clearly, there is a need for additional research relating the impact of HRM to service quality and performance in the hotel industry in Greece.

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