Managing the Hotel Managers:
HRM Practices in Greek Luxury Hotels

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**ABSTRACT**

This paper explores the current HRM practices employed in the international hospitality industry. More specifically it investigates four key HRM areas regarding the work of General Managers (GMs) in luxury (4 and 5*) hotels in Greece namely: recruitment and selection; training and development (focused in managerial competencies); performance evaluation; networking and communication.

The dynamic and complex nature of the management function in global hospitality business today and the realisation that what works effectively in one country may not be as efficient in another, has led management scholars and practicing managers in continuous efforts to enhance their understanding of this context and its effects on international (hotel) managers. This paper focuses in the Greek context since the country is among the most popular tourist destinations in the world. The author argues that managerial work and HRM practices in Greek luxury hotels cannot be unaffected from the strong national context, despite the great pressures for standardisation and homogenisation with the international hospitality industry standards.

A qualitative research was conducted in 16 luxury (4 & 5*) city and resort hotels in four popular destinations: Athens, Thessaloniki, Crete and Rhodes. In total 32 GMs and their assistants participated in this country case study. The research tool included in-depth semi-structured interviews, the employment of a Personal Competencies Framework (PCF) questionnaire, non participant observations and collection of company documents related to managerial work. All data were triangulated in order to enhance the validity and reliability of this study.

The research’s findings indicated that the ‘base requirements’ of managerial work in Greek luxury hotels appear to be similar and compatible with the international industry HRM standards. What actually changes is the level of formality exercised in managerial and HRM practices. A key theme that emerges from this study is the critical role of the hotel’s ownership status. As a concluding point it can be argued that both divergence and convergence contextual forces co-exist and shape the GMs’ work in Greek luxury hotels. Further research is needed to fully understand and appreciate the effects of those forces in GMs’ work.

Key Words: Managerial work, Hospitality Industry, HRM, Greece
1. Introduction
Hospitality and tourism were among the first internationalised industries in the aftermath of World War Two (Nickson, 1998; Nickson and Warhurst, 2001). From the early stages of internationalisation in the 1950s, a plethora of empirical studies (i.e. Nailon, 1968; Hales and Nightingale, 1986; Nebel and Ghei, 1993) suggests that work in hotels poses multidimensional challenges for hotel unit general managers (GMs), especially in luxury establishments where there are tremendous pressures for service quality, customer satisfaction, effective people management and outstanding (financial) performance. All these targets must be achieved for a ‘perishable’ product (Archer, 1987) that is consumed at the time and place (hotel) is produced. Hotel managers must predict and face successfully the constant external environment changes which affect to a certain degree their sensitive product. Managing the hotel managers from an HRM perspective, has been a controversial area, with opinions concentrating in two opposing poles: one view assumes that all managers should adapt the same practices and behave the same manner (the ‘global’ approach), while others suggest that contextual factors such as national and organisational culture, influence managerial work.

Building on managerial work and comparative HRM studies, this paper argues that luxury hotel GMs in Greece, face ongoing HRM dilemmas in using similar practices with MNCs, and simultaneously behave differently than their international competitors due to a series of contextual factors such as structure, ownership status, local and national culture.

2. Managerial work in hotels
The profile of the modern hotel unit GM, has been largely affected from the multinational (MNC) hotel chains, operating worldwide. The early adoption of internationalisation in the hotel industry came initially from U.S. hotel companies, who took the lead and moved across borders for supply and demand reasons; that was to satisfy the needs of American travellers as other trades internationalised (Nickson, 1998; Thompson et al., 1998). Since the early 1980s a growing number of these original American operators were acquired by U.K. based companies, and simultaneously other European and Asian companies began to compete on more broadly international scales (Segal-Horn, 1994; Thompson et al., 1998). The transformation of the sector in a truly globalised industry occurred after a prolonged period of mergers and acquisitions during the 1990s. This brought changes in the adopted growth strategies of many hotel companies who were now competing on a global basis (Price, 1993). While the hotel industry was traditionally dominated by individually and/or family owned properties it can be argued that it is heavily influenced by international/multinational hotel companies (Litteljohn, 2003). In this globalised environment, the development of international hospitality managers is seen as being of critical importance for hospitality MNCs. Thus, since the early 1990s, the rapid growth of international hotel chains and its effects on managerial work, have drawn the attention of researchers (i.e. Nebel et al., 1995; Gilbert and Guerrier, 1997; Ladkin and Juwaheer, 2000). The personality characteristics required of the international hotel managers include people and interpersonal skills, adaptability, flexibility and tolerance, cultural sensitivity and intercultural competence followed by emotional maturity, industry experience, and self-confidence (Shay and Tracey, 1997; Feng and Pearson, 1999; Kriegl, 2000). International etiquette, demonstrating an understanding of international business matters, the ability to work with limited resources and effectively manage stress were judged to be relatively important, while functional and technical skills were rated as the lowest priority for managers. Research also indicates that in an international hospitality organisation building managers’ cross cultural skills may be far harder but more important than developing their functional and technical skills (Shay and Tracey, 1997; Kriegl, 2000).

A consequence of the rapid internationalisation, were the efforts to establish generic competencies frameworks for hotel managers. The competencies movement in hotels appeared in the early 1990s, when a growing number of tourism and hospitality courses aimed to meet the demands of a volatile and changing world (Umbreit, 1993) took up the challenge to prepare students by developing and enhancing the management competencies and skills needed to operate successfully. This movement has been supported by the industry’s growing demand for suitable qualified managerial staff. Research conducted to identify the right mix of competencies has use a number of frameworks like Katz’s hierarchical competency model or Sandwith’s (1993) competency-domain model, which builds on Katz’s (1974)
model and groups competencies into five areas (Conceptual-Creative; Leadership; Interpersonal; Administrative; Technical). It can be argued that the vast majority of the competencies models within the hospitality context (i.e. Baum, 1991; Brophy and Kiely, 2002; Lockwood, 1993; Christou and Eaton, 2000; Chung – Herrera et al., 2003; Kay and Russette, 2000; Tas, 1988) fall in the behavioural approach which assumes that those models can be universally applicable regardless the manager’s background. This is no surprising as this industry is considered as ‘results-oriented’ and superior performance is believed to be the key to achieve organisational goals. In addition, the development of managerial competencies frameworks, required the carefully designed use of HRM functions such as recruitment and selection, training and development, and performance evaluation, in order to ensure that the candidates achieve the desired results.

Furthermore, over the past forty years the international hospitality industry has expressed considerable interest in what has come to be known as ‘best practices’. The concept of best practices suggests standardisation and homogenisation of the organisation’s human resources through the employment of universally applicable managerial practices; this idea has been extremely appealing for the rapid growing international hospitality industry during the 1980s and 1990s (Nickson, 1998). There are arguments however (Marchington and Grugulis, 2000; Purcell, 2001) that a single practice or set of practices would emerge as ‘best’ in any sense of the word, particularly in globalised organisations. During the past decade IHRM studies argue that ‘a best practice is not best unless it incorporates contextual elements in its application’ (Von Glinow et al., 2005, p.398). In addition GMs nowadays operate in multiple and different contexts (Dierdorff, et al. 2009); the term used to describe this complex environment is ‘Polycontextualisation’.

Despite the economic significance and global spread of the international hospitality industry, the majority of hospitality management literature reflects what has happened in the US and the UK since the early 1980s. The ignorance of hospitality managerial work in different contexts has created a gap in the extant literature. Dierdorff et al. (2009) categorical model of work context, certainly adds value to the argument that in order to understand managerial work in hotels, researchers need to think and work outside the Anglo-American context. Boyacigiller and Alder (1991) argue that this bias in theory development is the result not of an inherent belief in the superiority of U.S. management but of parochialism – a lack of awareness of alternative contexts, models, research and values. As a result the cultural context is often ignored in management research and universality is assumed (Thomas, 2008). Recently, a number of scholars have challenged the assumption that management theories formulated in one country are applicable universally, and have demonstrated in their research that management theories applicable in one country cannot be generalised directly to other countries (i.e. House et al., 2004; Javidan et al., 2005). In addition, only recently have studies focused on what is happening in the rest of the Europe or the world (i.e. Agut et al., 2003; Blayney, 2009; Christou and Eaton, 2000; Jauhari, 2006). This was made possible through the contribution of a steadily growing number of overseas students in the U.S. and U.K. business schools who deliver hospitality programs. The most popular forms of research used to study the hospitality industry outside the Anglo-American context, is the use of country case studies (i.e. Agut et al., 2003; Christou, 1999; Kim, 1994) and studies within the context of the international hospitality business (D’Annunzio-Green, 1997). Despite the relatively slow progress, hospitality research persistently reflects the Anglo-American universalist approach to management.

3. The Research Profile

The research that conducted as part of a PhD Thesis, served mainly two aims: first to explore the HRM practices used to help GMs’ exercise their roles and competencies in Greek 4 and 5* hotels; and second to investigate the interplay between context and HRM practices regarding managerial work.

In total 16 hotels with 32 participant senior managers (16 GMs and their immediate assistants) were chosen – representing 4 and 5* 1n Athens, Thessaloniki, Rhodes and Crete. The 16 establishments selected for this research, represent two broad hotel types operating in Greece – city and resort. Basic prerequisite for the participant hotels was to be holders of 4 or 5* official rating that is accredited by the Greek Chamber of Hotels. The ownership status of each hotel (family; local chain; national chain;
multinational chain) was also considered. The luxury hotels in the selected geographical regions were then shorted / filtered by using the following two criteria:

I. As a minimum standard the city hotels should provide TV and air conditioning in room and, restaurant and parking facilities. Additionally for resort hotels they should have outdoor swimming pool.

II. All participant hotels should have more than 150 rooms. This happened in order to ensure that only medium to big companies would be researched. This aimed to a) compare hotels with similar organisational structure, and b) allow replication in other European countries with similar size and structure hotels.

The hotel selection process followed in this research was dictated by the structure of the luxury hotel industry in Greece: given its nature and geographical spread (approximately 1,150 establishments all over Greece) a decision was made to limit the destinations in the most representative and popular places for city and resort hotels respectively. A three-part tool followed by a cover letter explaining the aim of the interview was used, in order to serve the needs of the research. The first part examined demographic data of the company and the participant; the second part was a 14 question semi-structured in-depth interview; and the third part was the Personal Competencies Framework (PCF) Questionnaire, originally developed by Dulewicz and Herbert (1999). Additional qualitative data sources derived from non-participant observation (field notes) and company documents.

A major methodological concern for this study was to produce valid and reliable outcomes. A research protocol was used as recommended by Yin (2003). The case study protocol contains procedures and general rules that should be followed in using the research instrument/s and is considered essential in a multiple-case study (Yin, ibid.). It was created prior to the data collection phase. In addition, during the data collection tests for the quality of research were employed (Construct and External Validity, Reliability); these tests were followed by the use of two different triangulation methods namely Data and Methodological triangulation (Denzin and Lincoln, 2003).

4. The research findings: three types of luxury hotel GMs

Three different managerial profiles in luxury hotels in Greece emerged from this research, regarding the key HRM areas used to help GMs develop their managerial roles and competencies. The first labeled the ‘native’ GM, is employed in family and local hotel chains, which represent the vast majority of Greek 4 and 5* hotels (Hellenic Chamber of Hotels, 2010). This is a typical SMTE (small-medium tourism enterprise) owned and essentially co-managed by the leader of the family surrounded by relatives in various positions. Then, the ‘glocal’ GM, is found in Greek national hotel chains; this type of hotel is a former family business – led very often by a charismatic founder – which expanded gradually its operations nationwide. In addition, this type of hotel has adapted to a certain degree the organisational structure and standards of a multinational hotel chain; there is still however moderate involvement of the owner (or his family) to the management of the company. Finally, the ‘Greek global’ GM, is found in multinational hotel chains; this hotel type is a foreign brand name, franchised in most of the cases by a Greek businessman. There are only a few cases that the management of the company belongs to the parent company. In this type of hotel, the organisation, structure and standards are dictated by the parent company; there are however some variations / deviations due to the Greek socio-cultural context. For example, the standard operating procedures are adapted to the local working patterns and legislation.

The ‘native’ GMs are males between 55-65 years old, speaking on average two foreign languages and have at least a hospitality first degree. Employers in this category are in favour of the ‘old school’ (over 50-55 years old) for two main reasons: they value more the experience, reputation and seniority than qualifications; in addition ‘near retirement’ GMs may cost less in the payroll. The recruitment is conducted mainly through recommendations and ‘word of mouth’, and rarely with internal recruits; the selection process is usually conducted by the owner and in most of the cases is based in subjective criteria (i.e. personal references, reputation and salary). There are limited options for training and development in this type of hotel, and very often is up to the GMs’ discretion to recommend which programme to attend. In most of the cases, there is no time allocated for training and development activities, in the GMs daily
areas such as communication, leadership and interpersonal relations. The GMs’ secondary competencies are focused on leadership (employee motivation/inspiration) and entrepreneurship (help business grow). The leadership competencies are their primary concern, they value however the remaining managerial competencies (PCF) as integral parts of their competencies framework (Chung – Herrera et al., 2003). This is reflected in their performance evaluation, a formal procedure that takes place once or twice a year depending on the type of the hotel unit (city-resort). The primary targets are mainly financial and the maintenance of high quality standards; there is however a reference to the ‘performance’ of the GMs in the GMs’ work in most of the cases is high (Hofstede, 1980; Trompenaas, 1993). The Greek context is dominant here, with the ‘in-group collectivism’ dimension to dictate the relationships between the owner, the GM and their subordinates (Papalexandris, 2008).

On the other hand, ‘glocal’ GMs employed in national and franchised MNC hotel chains, are males between 45-55 years old, speaking on average two foreign languages and have very good educational attainment including a hospitality first degree and postgraduate studies. This professional background includes the ‘primary’ departments of a medium/big size hotel (Food and Beverage, Front Office - Reservations); in addition, sales, finance and contracting background is a prerequisite for this type of GMs. GMs’ recruitment is conducted through personal recommendations or internal candidates with experience in various hotels of the chain; ‘head hunters’ are rarely used for high profile candidates. Since the recruitment process does not involve a large number of candidates, two or three selection interviews take place with senior managers from/in the Head Office; during the final interview the owner is also present. Throughout the year there are moderate opportunities for training and development; the GMs are free to choose between in-house or outsourced programmes, in Greece and/or abroad. Their job roles are focused on leadership (employee motivation/inspiration) and entrepreneurship (help business grow). The leadership competencies are their primary concern, they value however the remaining managerial competencies (PCF) as integral parts of their competencies framework (Chung – Herrera et al., 2003). This is reflected in their performance evaluation, a formal procedure that takes place once or twice a year depending on the type of the hotel unit (city-resort). The primary targets are mainly financial and the maintenance of high quality standards; there is however a reference to the ‘performance’ of the GMs in areas such as communication, leadership and inter-personal relations. The GMs’ secondary competencies are evaluated through peer reviews, customer satisfaction questionnaires and ‘mystery guest’ audits. Although there is intense networking activity within the corporate limits, GMs maintain their contacts outside the company; in addition, their reputation is mostly heard within the corporate limits. The owners – who in most of the cases occupy the position of the managing director or chairman of the board – have a moderate to low involvement in the GMs’ work, mainly at strategic level. There are however cases of interventions in GMs’ work when owners have personal interest, i.e. they ‘strongly recommend’ the selection of a particular candidate. It is important to note here that the owners know personally all of their GMs, and maintain regular communication. High contact intensity with key stakeholders inside (owner, senior managers, immediate subordinates, repeating clientele) and outside (local authorities, tour operators) the hotel unit is deemed critical for the manager’s job. It can be argued that, in this type of business Greek context meets corporate culture: the Greek hotel national chains are structured and managed according to the multinational hotel chain model; the Greek context is however evident everywhere and it is very often the case that ‘favours’ and deviations from the standards occur when is about relatives or friends (Broome 1996; Fukuyama, 1995; Triandis et al., 1968). On the other hand, it can be argued that this type of business has embodied the Greek context characteristics in the best way, so their GMs can use it in order to improve performance and efficiency.

The ‘Greek global’ GMs, are middle aged (45-55 years old) males with impeccable educational background. They speak on average two languages - including the hotel chain’s parent country language (in case it is not English). Their professional background includes a sales and finance orientation, although they understand hotel operations very well. The recruitment is conducted internally or through the use of ‘head hunters’ who are aiming at high profile recruits. The selection process is rigorous and involves at least three interviews. There are many opportunities for training and development in Greece and abroad on a regular basis. The GMs’ roles in this type of hotels are focused in entrepreneurship and
finance – based on Mintzberg’s (1973) typology, decisional roles. Their annual performance evaluation is multi-dimensional, lots of emphasis is put however in achieving agreed (financial) targets. This corresponds to their preference in the results-orientation competencies cluster. Networking is very important within the corporate limits; outside these limits the GMs maintain only those contacts necessary to ‘do the job’. Their reputation is synonymous with hard work and what is actually on their resume. The Greek culture is something that they cannot ignore –especially in the case of foreigners – the corporate culture however is this, which determines their behaviour. The above profile refers to Greek nationals working in managed Multinational hotel chains. The fact that a such a small number of foreign nationals work as luxury hotel GMs in Greece (less than ten in 2007) may lead to the following arguments: first that a pool of Greek GMs who satisfy the high standards of the multinational hotel chains exists in the country; and second that the Greek context is posing difficulties that foreign nationals cannot cope with (Broome, 1996).

Table 1: The GMs’ profile in 4 and 5* hotels in Greece

<table>
<thead>
<tr>
<th>Manager &amp; Company Type</th>
<th>The ‘Native’ GM (Family /Local Chain)</th>
<th>The ‘Glocal’ GM (GR Nat. Chain &amp; MNC franchised)</th>
<th>The ‘GR Global’ GM (MNC managed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Age</td>
<td>55-65</td>
<td>45-55</td>
<td>45-55</td>
</tr>
<tr>
<td>Sex</td>
<td>Male</td>
<td>Male</td>
<td>Male</td>
</tr>
<tr>
<td>Professional Background</td>
<td>All Departments (Emphasis in F&amp;B)</td>
<td>All Departments (Emphasis in Finance, Sales &amp; Contracting)</td>
<td>All Departments (Emphasis in Finance, Sales &amp; Contracting)</td>
</tr>
<tr>
<td>Recruitment &amp; Selection</td>
<td>Recommendations</td>
<td>Head Hunters &amp; Internally</td>
<td>Head Hunters &amp; Internally</td>
</tr>
<tr>
<td>Training &amp; Development</td>
<td>Sporadic – GMs’ own discretion</td>
<td>Moderate to High Opportunities</td>
<td>High Opportunities</td>
</tr>
<tr>
<td>Job Roles</td>
<td>“Figurehead”</td>
<td>Leader &amp; Entrepreneur</td>
<td>Leader &amp; Entrepreneur</td>
</tr>
<tr>
<td>Competencies</td>
<td>Emphasis in Communication</td>
<td>Leadership</td>
<td>Results Orientation &amp; Leadership</td>
</tr>
<tr>
<td>Performance Evaluation</td>
<td>Informal Annual</td>
<td>Formal Annual (1 or 2 times)</td>
<td>Formal Annual (1 or 2 times)</td>
</tr>
<tr>
<td>Role of Networking</td>
<td>High</td>
<td>Moderate outside High inside</td>
<td>Low outside High inside</td>
</tr>
<tr>
<td>Role of reputation</td>
<td>High in local/national market</td>
<td>High in national marker</td>
<td>High in regional/ international market</td>
</tr>
<tr>
<td>Ownership level of involvement</td>
<td>High to Moderate</td>
<td>Moderate to Low</td>
<td>Low</td>
</tr>
<tr>
<td>Role of Culture</td>
<td>High</td>
<td>Moderate</td>
<td>Moderate to low</td>
</tr>
</tbody>
</table>
Table 1 summarises the findings of this research in relation to HR practices used for managing luxury hotel unit GMs; the three different profiles identified for Greek luxury hotel GMs are not exclusive and provide a generic context for discussion in this field.

5. Conclusion
This paper discussed the influence of the Greek context on managerial and HRM practices for luxury hotel GMs. The Greek context affects to a large extent managerial work in family and local chain hotels; on the other hand national hotel chains rely on international standards and practices and exercise management in a manner that incorporates both local and international influences. Multinational hotel chains are preoccupied from strong corporate cultures, which prevents from any local/national culture influences. Based on the research findings, three distinctive groups of luxury hotel GMs where identified: the ‘native’ GM; the ‘Glocal’ GM; and the ‘Greek Global’ GM. This categorisation emerged from the hotel’s ownership status, and to some extent reflects the ‘global – local’ question on managerial work.

It is hoped that research of the interplay between managerial / HRM work practices and context will be investigated in different organisational and national contexts.

References


