



Introduction to Human Resources in the Hospitality Industry

CHAPTER

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CHECKLIST

OF CHAPTER LEARNING OBJECTIVES

As a result of successful completion of this chapter, readers will be able to:

1. Provide a brief overview of the hospitality and tourism industries, and emphasize the importance of effective human resources management to all organizations within them.
2. Explain how human resources management relates to the management of a hospitality and tourism organization.
3. Present an overview of human resources activities, and explain external and internal influences that affect them.
4. Review the importance of diversity in the hospitality workplace, and tell basic procedures important in planning and implementing a valuing-diversity emphasis.
5. List specific human resources responsibilities important in most hospitality and tourism organizations.



Impact on Human Resources Management

While the hospitality industry is broad and diverse, organizations within it share some things in common. One is the need for staff members with a variety of knowledge, skills, and experience to produce the products and services that are needed or desired by consumers. The industry has often been described as a “people business.” In this context, the people typically referred to are both the employees who produce the products and services, and those who purchase and consume them. In this book, we will be focusing on one of the two groups of people just noted: employees.

The need to devote an entire book to procedures to facilitate the work of staff members in the hospitality industry is easy to defend. Almost without exception, hospitality managers in all types and sizes of organizations and in locations around the world consistently note concerns about recruiting and retaining personnel at all organizational levels. Their goal is to employ persons with the attitudes and abilities required to best meet the needs of those being served. This chapter provides an overview of and the context within which the management of human resources in the hospitality industry will be presented.

Overview of Hospitality Industry

1. **Provide a brief overview of the hospitality and tourism industries, and emphasize the importance of effective human resources management to all organizations within them.**

Hospitality industry: The range of for-profit and not-for-profit organizations that provide lodging and/or accommodations including food services for people when they are away from their homes.

The **hospitality industry** is one part of the larger travel and tourism industry that, in addition to hospitality, consists of transportation services organizations and retail businesses. The for-profit and not-for-profit operations in the hospitality segment share a common goal: to provide lodging and/or accommodations including food services for people when they are away from their homes. Many people think of hotels and restaurants when they think of the hospitality industry, but it comprises numerous types of organizations. Figure 1.1 identifies three segments of the travel and tourism industry.

As you review Figure 1.1, note that the travel and tourism industry can be divided into three segments: transportation services, hospitality, and destination businesses. This text concerns one segment: hospitality. Lodging organizations within the hospitality segment include hotels, conference centers, destination resorts, camp and park ground facilities, and inns. The foodservices segment can

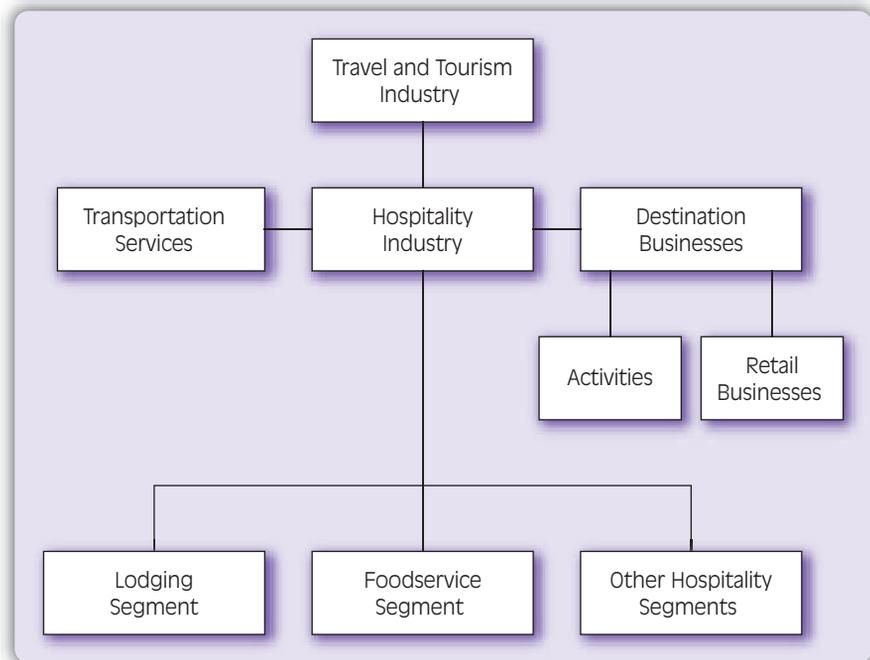


FIGURE 1.1: Overview of Hospitality Industry

Labor-intensive:

The situation in which people rather than technology and equipment are used to provide products and services for an organization's consumers.

Revenue: The amount of money generated from the sale of products and services to consumers of the hospitality operation.

Human resources (HR): The persons employed by a hospitality or tourism organization.

be divided into two general components. For-profit operations include hotels, restaurants, caterers, and retail operations such as grocery stores and service stations that provide prepackaged sandwiches, beverages, snacks, and other items. The other component, not-for-profit operations, includes food services offered by educational facilities, healthcare institutions, the military, business/industry organizations, religious and charitable groups, correctional facilities, and transportation companies. These not-for-profit organizations may operate their own food services or, alternatively, may contract with a foodservice management company to do so. Other hospitality segments include organizations such as private clubs, sports and recreational foodservice operations, cruise ships, casinos, vending businesses, and amusement and theme parks.

Organizations in the hospitality industry tend to be **labor-intensive**. Technology cannot provide the level of service that is integral to the expectations of many consumers. Even the phrase, *hospitality*, refers to the friendly treatment of one's guests, and this human touch must be provided by the organization's staff members.

Hospitality and tourism organizations require employees; the greater their level of **revenue** and the more consumers they serve, the more staff members these

Human resources management

(HRM): Processes used by a hospitality or tourism organization to enhance its performance by effectively using all of its staff members.

operations require. Success requires a full complement of staff members from owners/managers to entry-level employees who consistently attain required quality and quantity standards. In this industry, the emphasis must be on **human resources**, and leaders must practice **human resources management** principles and practices.



Human Resources Management: CURRENT EVENTS 1.1

HOW CAN THE HOSPITALITY INDUSTRY SUCCESSFULLY COMPETE FOR ITS EMPLOYEES?

Historically, the number of hours worked in the average workweek has been decreasing. However, many managers in the hospitality industry work long hours and, unfortunately, many of these hours are late at night and on weekends and holidays when others are with their families and friends.

Conditions in some industries lend themselves to opportunities for employees to work at home for all or part of their jobs, to fulfill work responsibilities during hours that are best for the employee, and to job-share (as when two persons divide up tasks for a single job).

Although the latter approach (job-sharing) can be used in hospitality and tourism organizations, it is difficult to deliver service without an employee to do so, and it is also difficult to sell a service at times other than when consumers desire it. How can service organizations compete with those in other industries for the very best management talent?

Some organizations have found creative alternatives that allow selected persons to become **intrapreneurs**. These persons manage a specific part of the business and receive a specified part of the profits from its successful operation. This may be a motivator for those with an entrepreneurial spirit. One example occurs when a bonus is paid to a hospitality manager based on performance that exceeds specified financial goals. Other organizations offer creative profit-sharing plans to staff members for whom money is a motivator. When revenues and expenses for a specific venue, such as a food or beverage outlet or a gift shop in a hotel, can be specifically allocated, additional opportunities for intrapreneurial arrangements become possible.

Human resources–related challenges will continue to be a priority for most hospitality and tourism operators in the foreseeable future. What can be done to meet the task of recruiting and retaining staff members? As this and related questions are successfully addressed, organizations will enjoy a competitive edge over their counterparts who do not deal with this important concern.

Intrapreneur: An employee of an organization whose compensation, in whole or in part, is based on the financial performance of the part of the business for which the person is responsible.

Management process: The process of planning, organizing, staffing, supervising, controlling, and appraising organizational resources to attain goals.

Regardless of the industry segment in which they work, most employees have the same basic wants and needs. They share the same basic concerns about how they are treated by their employers, which impacts their work performance and length of employment. Much of a person's attitude about work is affected by interactions with other management and nonmanagement employees. However, human resources concerns ranging from compensation and benefits to opportunities for training and professional development, as well as beliefs about how they fit into the organization, are important to many staff members.

Some human resources managers begin their careers in operating positions in a hospitality or tourism organization and then move into a specialized human resources position. Others begin in hospitality human resources and spend much of their career in progressively more responsible positions in that discipline. Still others with hospitality human resources duties move into similar positions in other industries. These and other options are possible because of the similar concerns shared by most employees in all organizations and industries. These basic issues and concerns and the ways they can be addressed are among those topics discussed in this book.

Managing Human Resources in the Organization

Resources: What an organization has available to achieve goals. Examples include people (human resources), money, time, machinery, processes and procedures, energy (utilities), and products such as food, beverages, and supplies.

Managers: Staff members in the organization who direct the work of supervisors.

Supervisors: Staff members in the organization who direct the work of entry-level personnel.

2. Explain how human resources management relates to the management of a hospitality and tourism organization.

The staff members of every hospitality and tourism organization are its most important resource. How their work is managed (facilitated) directly impacts the success or failure of the organization. The basic **management process** is the same in almost any type of organization, and it consists of six basic functions that relate to all **resources**, including staff members. These functions are listed in Figure 1.2, which also provides an example of human resources responsibilities applicable to each function.

Figure 1.2 suggests that, while the responsibilities within each management function narrow from top-level **managers** to **supervisors**, each person with management responsibility has obligations relating to each function. Top-level managers tend to have longer-term, big-picture responsibilities, managers have more specific departmental-related duties, and supervisors serve as linking pins to connect upper levels of management with entry-level staff members in day-to-day operations.

Management Function	LEVEL OF MANAGEMENT		
	Top-Level Manager	Mid-Level Manager	Supervisor
<i>Planning</i>	Analyzes the number of persons needed for key management positions in the future (succession planning).	Considers estimated costs of departmental training programs for an upcoming budget period.	Schedules employees for the following week.
<i>Organizing</i>	Determines reporting relationships as a hotel front office department is reorganized.	Determines tasks to be part of a specific position.	Revises a work task based on work simplification tactics.
<i>Staffing</i>	Recruits and hires employees for a healthcare dietary services operation.	Provides input about a hire or fire decision.	Provides input to job descriptions used for employee recruitment.
<i>Supervising</i>	Directs the work of managers.	Directs the work of supervisors.	Directs the work of entry-level employees.
<i>Controlling</i>	Establishes labor standards for a quick-service restaurant.	Compares estimated and actual labor cost data, and takes corrective actions as necessary.	Ensures that procedures used to control costs are in use.
<i>Appraising</i>	Determines the extent to which human resources goals, including labor costs, professional development programs, and performance improvement, are met.	Evaluates the work of department staff.	Determines whether revised work procedures that address a problem have corrected it.

FIGURE 1.2: Basic Management Functions Involve Human Resources Responsibilities

Job descriptions:

A list of tasks that a person working within a specific position must perform.



The Role of Human Resources Is Broader Than Just Filling Positions

Effective human relations procedures must be used to recruit and select staff members. However, human resources responsibilities extend beyond this and further than other stereotypical duties such as planning staff parties, approving employee vacations, and collecting paperwork when new employees are hired.

Numerous federal and state laws relating to hiring and employment practices must be understood and implemented in every hospitality and tourism organization. The extent of compliance has a significant impact on how affected managers make personnel-related decisions and on whether significant time and financial resources must be committed to issues that could have been avoided if labor laws were followed.

The management of human resources is of strategic importance to the organization. Goals cannot be attained without the best people in the appropriate position who consistently attain standards needed to deliver products and services of the correct quality. At the same time, those with human resources responsibilities must represent and advocate for the employees. When the **corporate culture** encourages them to do so, employees working at all organizational levels can provide ideas and creative energies to give the organization a competitive advantage. Those with human resources responsibilities are at the forefront of helping to develop, implement, communicate, interpret, and enforce the policies and procedures that help ensure that the organization's most important resources (employees) are empowered to help the organization achieve its goals.

Managers with human resources responsibilities also realize that labor costs must be controlled. They must help ensure that the labor-related expenses incurred are actually **value-added** dollars that are worth more to the hospitality organization than what is spent for the labor.

Human Resources Activities

3. Present an overview of human resources activities, and explain external and internal influences that affect them.

Corporate culture: Shared beliefs, experiences, and norms that influence how things are done within an organization.

Large hospitality and tourism organizations typically have **human resources departments** with **staff specialists** whose primary responsibilities focus on human resources concerns. Managers in small organizations function as generalists, and they assume human resources concerns in addition to numerous others as part of their job. Most organizations in the hospitality industry are small. Therefore,



Human Resources Management: CURRENT EVENTS 1.2

THE BIGGEST CHALLENGE IS HUMAN RESOURCES!

Just ask any manager in any type of hospitality or tourism organization about his or her most significant challenge, and the answer is likely to be “not enough qualified help.” Labor shortages are an ongoing challenge, and much of a manager’s time is often spent in recruiting and training new employees and in correcting defects caused by employees who don’t care before they resign and by newly hired personnel who are concerned, but who have not completed training in proper work procedures. Reasons for labor shortages vary by location but typically include an inadequate number of persons desiring to work in the industry, perceived low compensation, and, unfortunately, very high **employee turnover** rates.

Managers can use three basic strategies to address labor shortages, and each has human resources implications:

- *Keep the people currently employed; reduce the turnover rate.* Selecting the right people and using tactics to retain staff members are examples of ways to accomplish this goal.
- *Increase productivity.* When increased output that meets required standards is generated with the same or reduced number of labor hours, fewer personnel will be needed. Again, selecting the right persons is helpful, as is providing well-thought-out orientation, training, and professional development programs for interested staff members.
- *Recruit from nontraditional labor markets.* Many hospitality and tourism managers enjoy great success when they employ “empty nesters” (parents of grown children), older workers seeking part-time employment to complement retirement income, and other persons with physical and mental challenges who can become proficient at performing many necessary tasks.

Value-added: The concept that the benefits of money spent on something are worth more to an organization than the amount of money that is spent on its purchase.

managers in these operations will be responsible for making staff-related decisions without the benefit of the specialized assistance that their counterparts in larger organizations receive. *Note:* This book has been written from the perspective of managers in small organizations, and it discusses basic human resources concerns that these managers must address as they facilitate the work of their staff members.

Figure 1.3 reviews basic human resources activities and indicates the external and internal influences on these activities.

Managers and supervisors who practice human resources skills can reduce employee turnover rates and the associated productivity and service quality problems that occur when there is a revolving door of new employees.
Courtesy PhotoDisc/Getty Images



Human resources department: The department within a large hospitality or tourism organization with the responsibility for recruiting, screening, and developing staff members. Persons in this department also administer compensation and benefit programs, coordinate safety practices, implement labor law requirements, and, if applicable, administer collective bargaining agreements.

Staff specialists: Persons with technical expertise in an area such as human resources that provide advice to, but do not make decisions for, managers in the organization's chain of command.

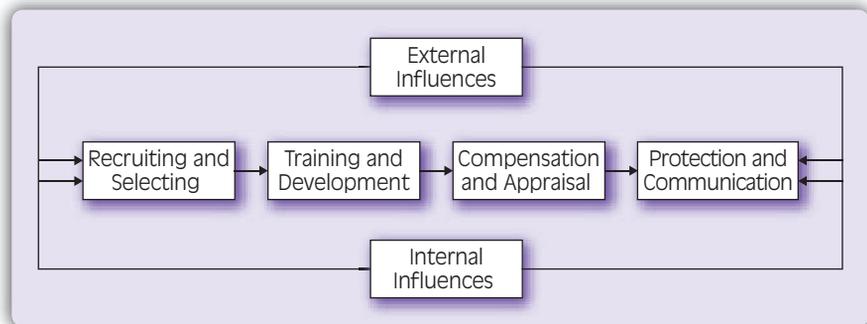


FIGURE 1.3: External and Internal Influences on Human Resources Activities

Let's review Figure 1.3 by noting the human resources activities:

- *Recruiting/selecting.* These tasks include tactics and procedures to attract applicants to the organization (recruiting) and choosing the very best persons among them (selecting). These activities will be discussed in detail in Chapter 4.
- *Training and development.* Preparing new staff members to do required work, updating their experienced peers, and providing opportunities for all interested staff members to assume more responsible positions are integral to the efforts of most organizations to attain goals and address competitive pressures, if applicable. These topics are discussed in Chapters 6 and 7.

Employee

turnover: The proportion of total employees replaced during a specific time period. For example, the annual turnover rate can be calculated as the number of employees leaving during a year divided by the number of employees in the workforce.

- *Compensation and appraisal.* Personnel should receive pay and benefits commensurate with their contributions to the organization. Performance appraisal provides input to help employees attain the on-job success that can yield promotions with higher compensation levels. These topics are examined in Chapters 8 and 9.
- *Protection and communications.* Safety and security concerns are of obvious importance to all employees. Many laws and regulations mandate safety procedures, and numerous other tactics that top-level managers should do (and not do) impact employee safety. Many legal and procedural issues with safety implications are addressed by those with human resources responsibilities. These topics are discussed in Chapter 10. In addition, effective communication that flows up, down, and across the organization helps ensure that staff members know about issues that affect them. These topics are discussed in Chapters 3 and 5.

EXTERNAL INFLUENCES

Figure 1.3 indicates that human resources activities are impacted by external influences. These include:

- *Legislation.* The impact of federal, state, and other laws on the hiring process and their influence on management decisions affecting personnel cannot be overstated. Chapter 2 addresses the legal environment, and numerous other legal issues are considered throughout the text.
- *Consumer preferences.* What consumers desire must be identified and supplied by hospitality and tourism organizations. What are business/operating volumes? What products and services must be produced, and when are they needed? The answers to these and related questions drive employee recruiting and selecting, training and development, and compensation and appraisal activities.
- *Demographics.* The characteristics of the local labor market and the guests are of obvious concern. Income levels in a community affect wage and salary rates, and they also impact the ability and interest of consumers to purchase the organization's products and services. Young persons are the foundation of employees in many organizations; are they available?
- *Global issues.* Many hospitality and tourism organizations exist to serve travelers. Business volumes impact human resources activities, and these are affected by international and national events that encourage (e.g., sporting events and special commemorations) and discourage (e.g., violence and disease threats) travel.
- *Economy.* The financial well-being of world markets and the country, state, and community in which the hospitality organization operates impact business volumes and, therefore, the need for human resources.
- **Employee unions.** Staff members may belong to an *employee union* that represents their interests in numerous aspects of the human resources activities noted in Figure 1.3.

Employee union:

An organization of employees who act together to protect and promote their interests by collective bargaining with representatives of the hospitality and tourism organization.

Policy: Rules and regulations established by an organization that specify how applicable staff members should act.

INTERNAL INFLUENCES

Figure 1.3 also suggests that there are internal organizational influences on human resources activities:

- **Policies.** A *policy* can greatly influence how an organization feels about staff members. In the absence of laws that regulate specific actions, employers have



Human Resources MANAGEMENT ISSUES

(1.1)

“This would be a great place to work if only the human resources department was on our side,” said Jonathon as he spoke to Emma, another manager at the Ocean Edge Hotel. “They send us job applicants who are not qualified; they don’t do an adequate job of orienting new employees to our hotel; they have no role in training; and they issue so many policies (many of which are ridiculous!) that I simply can’t keep up with everything.”

“You’re right that communication could be better, and there is probably a need for our human resources people to really know exactly what we do,” replied Emma, “but before I came here, I spent five years working for a much smaller property that didn’t have a human resources department. Each manager had to do whatever the General Manager wanted. Some of the GMs wanted a lot—and others wanted only a little—responsibility for the human resources function.”

“You know,” continued Emma, “That really wasn’t a good situation either. Like everywhere else, the managers had primary work responsibilities that involved a specific cost or revenue center. And they had to be concerned with many human resources details that impacted their employees. I’ll tell you, Jonathon, the world of human resources management is full of legal, technical, and other concerns that are pretty far removed from helping guests, preparing and serving meals, and cleaning guest rooms.”

“I guess I never thought about that,” said Jonathon, “I’ve been here for a long time, and it’s always been a ‘them versus us’ relationship between operating managers and the human resources people. Do you suppose there is no ideal situation and, because of this, the organization, its managers and employees, and the guests often lose?”

QUESTIONS

1. What appears to be the primary problem at the Ocean Edge Hotel? What tactics might address the problem you have identified?
2. What are the pros and cons for managing human resources in a small property and for working in a larger property with human resources specialists?
3. How can managers in small operations keep up with legal and other current events that impact human resources?

Work procedure:

A course of action or steps to be used to accomplish an objective; usually developed to describe how a work task should be accomplished.

Empowerment:

The act of authorizing employees to make discretionary decisions within their areas of responsibility.

Downsizing:

Activities implemented to eliminate jobs in order to generate greater efficiencies and cost savings.

significant discretion in establishing protocols that may affect the attitudes of staff members toward the organization.

- **Work Procedures.** *Work procedures* that are designed with (or without) input from applicable personnel, the extent to which equipment is used to ease physical work tasks and the amount of employee **empowerment**, if any, impact how work is done and, in turn, required human resources activities.
- **Corporate culture.** The perceived worth of employees to the organization is an integral part of its culture. It drives the philosophies and attitudes about employees and their roles in the organization, and human resources activities.
- **Long- and short-term plans.** Longer-term plans such as expansion or **downsizing** and shorter-term plans such as rolling out a new program or service impact employees and affect recruiting, selecting, and training activities.
- **Management judgment and experience.** Managers and human resources specialists (in large organizations) bring their own judgment and experience to the decision-making process. This input affects the policies, procedures, and plans already discussed and influences other decisions about human resources issues.

Diversity in the Hospitality Workplace

4. Review the importance of diversity in the hospitality workplace, and tell basic procedures important in planning and implementing a valuing-diversity emphasis.

Diversity: The broad range of human characteristics and dimensions that impact the employees' values, opportunities, and perceptions of themselves and others at work.

Diversity has received a great deal of attention in modern organizations.¹ To some, it means providing equal opportunities to persons of selected characteristics such as age, gender, mental/physical abilities, sexual orientation, race, or ethnic heritage. To others, the concept implies responses to legal concerns such as for equal employment opportunities. To still others, diversity connotes equalizing the percentage of employees (and, sometimes, an organization's suppliers) with selected demographics of the general population in, for example, the community in which the operation is located.

OVERVIEW OF DIVERSITY

The hospitality and tourism industry has typically employed a large number of minorities as well as other persons who are seeking a short-term job (not a career). Hotels, restaurants, clubs, foodservices operators in noncommercial facilities, and others compete with potential employers in other industries for persons without specialized knowledge or skills to work at beginning wage rates in entry-level positions. This, in turn, has led to a commonly held, but incorrect, stereotype that

industry employees can only work in low-paying and dead-end positions. However, the industry in general, and many organizations more specifically, have implemented and publicized efforts to upgrade the industry's reputation by making genuine efforts to offer career opportunities, with all of the advantages that accrue to them, to all interested persons. Many exemplary organizations have invested significant time, money, and creativity into these efforts.

Increasingly, then, the definition of *diversity* is being revised. It is being defined in the broadest possible way so all employees in an organization are included and so all employees' diversity will be valued because of their contributions to their employer.

A reasonable definition of *diversity* might separate the entire population into the six characteristics noted earlier: age, gender, mental/physical abilities, sexual orientation, race, and ethnic heritage. These factors do influence how one experiences the world; however, numerous secondary dimensions also shape one's values, expectations, and experiences. These include education, family status, organizational role and level, religion, first language, income, geographic location, and numerous others. Every person is unique and brings special qualities to the job that influences his or her attitudes about it and opportunities to contribute to it.



Equal Employment Opportunity Laws and Affirmative Action Programs Are Different from Valuing-Diversity Efforts

Equal Employment Opportunity laws (see Chapter 2) address the prevention and/or correction of employment practices that discriminate against individuals based on age, color, disability, Vietnam-era veteran status, national origin, race, religion, and gender. Affirmative Action programs are implemented to address these types of discrimination. Their goal is to close gaps by establishing targets and time frames to modify race and gender profiles in organizations. Many organizations that are exempt from these requirements also implement programs to better match the profile of their employees to that of the external labor pool.

Hospitality and tourism organizations that implement valuing-diversity efforts move beyond race and gender concerns and attempt to provide an environment that is welcoming and rewarding for every staff member. The goal is to move beyond satisfying legal requirements to addressing environmental concerns, improving productivity, and increasing morale—in other words, to creating a corporate culture in which diversity is desired because it yields the full utilization of the diverse talents of every staff member.

Many persons argue that a diversity effort should be implemented and kept ongoing because it is the right thing to do, but it is also possible to make a strong business case for a diversity effort, and several benefits of a successful diversity emphasis impact human resources concerns:

- A welcoming and rewarding work environment encourages excellent job performance.
- The changing makeup of the U.S. labor force increasingly requires the employment of those with diverse personal dimensions.
- When all employees are valued, turnover and absenteeism are minimized and associated costs are reduced.
- A culture of understanding, respect, and cooperation encourages teamwork with its benefits.
- Diverse backgrounds create more creative alternatives as decisions are made and as problems are resolved.
- Many consumers are attracted to businesses that employ staff members who reflect the diversity of those consumers. The result is increased sales volume, which, in turn, improves the financial viability of the organization.

IMPLEMENTING DIVERSITY INITIATIVES

How is a valuing-diversity effort implemented? It does not just happen because top-level officials require it, because human resources specialists have been asked to make it happen, or because a manager in a specific department desires it. It is not a program in which a committee decides what to do and an employee training effort follows. Instead, valuing diversity represents a significant organizational culture change that must have the ongoing commitment (in other words, an emphasis that never ends!) from those mentioned. It must also have buy-in from employees in every department throughout the organization.

Basic changes in management strategies may well be required to successfully implement a valuing-diversity emphasis. People typically respond to new ideas in predictable ways based on the extent to which they tolerate perceived risks. Those who perceive little or no risk in valuing diversity view it as a creative opportunity and will be among the first of their peers to endorse the concept. Those who are more cautious about exploring new ideas will likely view diversity to be desirable only after it has been proven beneficial to the organization. Other staff members with the highest level of perceived risk will see diversity as changing the status quo (how things have always been). They will mistrust it and will be very interested in keeping things as they are.

Strategies to implement a valuing-diversity effort should begin by involving those who see its value and should also recognize that employees who are anxious about and/or fearful of it are not likely to change their attitudes quickly. There are no quick-fix implementation plans to convince employees that a valuing-diversity mindset is useful. Instead, it involves lifelong learning, personal commitment, and ongoing self-improvement. In other words, it requires a change in attitude.

Hospitality and tourism employees who value diversity have some basic beliefs that form the framework for their mindset:

- Valuing diversity requires a change in corporate culture, and these change efforts never end.
- When diversity is valued, benefits accrue to employees and to the organization.
- Efforts to implement diversity efforts should include everyone, because every staff member brings diverse attitudes, backgrounds, and experiences to the job.

Hopefully, you now realize that top-level managers cannot simply tell the human resources department (in a large organization) or a specific manager (of a small property) to start a diversity program. Instead, a leadership team comprising representatives throughout the organization who believe in the concept, who have some knowledge about multicultural issues, and who desire and have the time to become involved should be brought together.

Group members have a formidable task in most organizations. They must:

- Obtain input from numerous internal and external sources.
- Identify and consider cultural diversity implementation concerns.
- Arrive at objective conclusions about the readiness of the organization to adapt to cultural change.
- Develop specific and useful plans.
- Assign tasks and monitor their completion.
- Communicate effectively with leaders about diversity issues.
- Plan ongoing activities that promote diversity and its benefits to the organization's staff members.

It typically takes much longer than diversity proponents initially believe to change the corporate culture. Attitudes that have developed over many years and that have passed down through generations must be changed. Even when it becomes an accepted organizational goal, it will take a long time for many employees to value diversity, and some staff members are unlikely to ever accept it.

Diversity goals recognize simple issues. Those who support the concept believe that all staff members want to:

- Be recognized for whom they are and appreciated for what they do.
- Feel comfortable with whom they work.
- Believe that their input is valued and that they have some impact on the decisions that affect them.

As the importance of diversity is better recognized and addressed in the hospitality and tourism workplace, the basic human needs of all staff members will be better recognized.



IT'S THE LAW!

You'll learn about many laws that affect human resources management throughout this book. One that affects many hospitality and tourism organizations—and, perhaps, yourself—concerns the minimum wage.

The United States Fair Labor Standards Act (FLSA) covers most private and public employers and requires that employers pay at least a federal minimum wage. In July 2008, the wage was \$6.55 per hour, (with a planned increase to \$7.25 in July 2008) but tipped employees could be paid less per hour if their tips, combined with their employer's payment, equaled the federal minimum hourly rate. (To the extent they did not, the employer was required to make up the difference.) If states have a higher minimum wage rate than the federal minimum, then the state wage rate is applied.

Wages paid are of significant (perhaps primary) concern to many job applicants, and for those seeking employment in entry-level positions, even relatively small differentials can impact employment decisions.

Some hospitality associations have typically opposed increases in minimum wage rates for numerous reasons. First, there is the honest belief that higher wages reduce profits, threaten business closures, and limit their constituents' abilities to create and maintain jobs. Second, they point out that many persons who receive the minimum wage are working for spending money and not to support themselves or their families. Third, they note that many of their members employ persons without "world of work" skills who might otherwise be unemployed. Association representatives also correctly indicate that many states require wage rates above the federal minimum, that many organizations pay higher rates than the mandated minimum, and that employers incur significant mandated and voluntary labor-related costs in addition to wages. Finally, they suggest that those working in minimum-wage positions have opportunities for higher wages and salaries through job advancement.

Minimum wage rates, like many other aspects of human resources management, can be viewed from different perspectives. Unfortunately, like many other aspects of human resources management, the issues are complicated and do not suggest easy answers or offer right or wrong approaches. They do, however, have a significant impact on employers, employees, and those being served. Those with human resources responsibilities must stay current with applicable laws, must interpret and apply them correctly, and must be able to communicate their organizations' positions about all matters, including compensation, that affect their employees.

Specific Human Resources Responsibilities

5. List specific human resources responsibilities important in most hospitality and tourism organizations.

What tasks are involved in the management of human resources in a hospitality or tourism organization? The short answer is, “almost everything involved in the relationship between staff members and the organization.” A composite response suggesting the range of human resources responsibilities is found in Figure 1.4.

You’ll note a wide variety of job tasks in the composite job description shown in Figure 1.4. It is unlikely that any human resources director in any hospitality or tourism organization is responsible for every one of these tasks. It is also possible that additional responsibilities are integral to the job descriptions of top-level human resources personnel in other organizations. However, the job description suggests the wide variety of activities of concern to those with human resources responsibilities.

A quick first glance at Figure 4.1 may lead one to think, “How can any single person do all of these things?” In fact, large organizations may have a director of human resources with one or more professional associates to whom some tasks can be delegated. A more significant question that arises is, “How can the unit manager and his or her staff in a small hospitality and tourism organization without human resources specialists do all of these things?” The answer is: “They probably can’t, so they will need to rely on external specialists, and it is likely that problems can arise when there is a lack of time and/or expertise to address all of these issues.”

Most hospitality and tourism organizations are too small to enjoy the services of one or more human resources specialists. In that case, managers have only a few options available:

- The general manager must assume responsibility for some of these tasks.
- A decentralized approach may be used in which department heads are responsible for the personnel-related issues relevant to their specific staff.
- Basic policies and procedures are implemented, and a qualified attorney is contacted when issues arise that appear to be outside the boundaries that they impose.
- Unfortunately, other tasks may not be accomplished or may be done incorrectly.

Executive committee: A group comprising department heads who serve as the organization’s key management team and who, in this capacity, are responsible for the overall management of the organization.

Just as no single person can probably perform all of the tasks identified in Figure 1.4, one book cannot address all of the necessary human resources issues in the proper depth needed to minimize the possibility of problems. However, the goal of managers in small operations should be to address the most important topics likely to cause the most significant problems.

Human Resources Department

I. Position:

Director of Human Resources

II. Job Summary:

Assists department management staff with recruitment, selection, and orientation of new staff members. Administers payroll records, directs the processing of wage and salary payments, and ensures that all applicable federal, state, and local wage and hour, worker's compensation, and other labor laws are consistently complied with. Implements data collection systems and manages the organization's health, employee protection, retirement, and other benefits programs. Conduct labor analyses, staff planning, and other studies as requested. Serves on the organization's **executive committee**.

III. Job Tasks:

1. Administers employee compensation, benefits, performance management systems, and safety and recreation programs.
2. Advises managers about organizational policies and recommends needed changes.
3. Develops and places recruitment ads, plans recruitment strategies, screens applicants, and makes hiring recommendations.
4. Conducts and reviews wage and benefit surveys, and proposes employee benefit modifications to the general manager.
5. Analyzes data and reports to identify and determine causes of personnel-related problems, and develops recommendations for improvement.
6. Analyzes training needs and designs applicable employee development, language training, and health and safety programs.
7. Conducts exit interviews to identify reasons for employee termination.
8. Maintains organization's policy manual, and communicates policy changes to applicable staff members.
9. Develops, administers, and evaluates applicant tests.
10. Coordinates all employee (personnel) recordkeeping functions.
11. Continually reviews and assists in updating the organization chart and employee handbook.
12. Manages the organization's group insurance, unemployment, and related benefits programs; communicates benefits information to staff, and ensures compliance with legal requirements.
13. Maintains records and compiles statistical reports concerning personnel-related data such as hires, transfers, performance appraisals, and absenteeism rates.
14. Negotiates collective bargaining agreements, helps interpret labor contracts, and administers the formal labor relations program with unionized staff.
15. Oversees the evaluation, classification, and rating of occupations and job positions.
16. Undertakes special projects relating to job description and specification updates, performance appraisal improvements, wage and salary comparison surveys, long-range staff planning, and other personnel issues.
17. Keeps abreast of laws and regulations relating to employees, ensures compliance with these laws and regulations, and advises managers as necessary.

FIGURE 1.4: Composite Job Description for Director of Human Resources

18. Advises line managers about discipline, discharge, and related employment matters.
19. Manages educational and referral programs for alcohol and substance abuse.
20. Assists department heads in planning professional development and training programs for employees.
21. Develops forecasts of short- and long-term staffing needs.
22. Coordinates transfer, promotion, and layoff strategies.
23. Benchmarks employee recruitment and selection processes with others in the industry, and explores new strategies as appropriate.
24. Develops and maintains a library of training resources specifically designed for each position.
25. Plans and implements employee motivation, recognition, and retention programs.
26. Organizes employee activities such as the holiday party and other activities as appropriate.
27. Provides current and prospective employees with information about policies, job duties, working conditions, wages, opportunities for promotion, and employee benefits.
28. Provides terminated employees with outplacement or relocation assistance.
29. Represents the organization at personnel-related hearings and investigations.
30. Oversees all work-related injury claims to ensure integrity, ongoing case management, and reporting compliance.
31. Recruits, hires, trains, supervises, schedules, and evaluates staff members in the human resources department.
32. Works with payroll personnel to ensure that all forms required of new employees are completed.
33. Conducts preliminary employment interviews with position applicants.
34. Investigates and reports on accidents for insurance carriers.
35. Meets with employee relations committee on a regular, scheduled basis.
36. Maintains OSHA-related logs and reports.
37. Coordinates, monitors, and suggests improvements for employee performance appraisal system.
38. Schedules and conducts employee safety meetings.
39. Recommends drug-testing procedures for employee applicants.
40. Interacts with the general manager and department heads to investigate employee violations of policies and to recommend correction actions, if necessary.
41. Interacts with organization's attorney relative to personnel legal issues involving concerns about EEOC, harassment, and lawsuits.
42. Attends staff meetings as scheduled.
43. Serves as a member of the organization's executive committee.

IV. Reports to:

General Manager

V. Supervises:

Human Resources Associates

FIGURE 1.4: (Continued)



Human Resources MANAGEMENT ISSUES

(1.2)

“I don’t know how you do it, Alice,” said Maureen. “I manage a Nutrition Services department in a large hospital and continually receive lots of advice from our human resources department about a wide variety of special concerns that otherwise I would never know about.”

Maureen was speaking to her old college classmate, Alice, who worked in the same city as manager for a fast-paced casual-service restaurant.

Alice’s reply was expected: “Keeping up with legal issues and finding time to address a wide variety of other human resources concerns is a real problem. I try to do the best I can, but there are always fires (emergencies) that must receive a priority. Then, unfortunately, many things that are nice to know and do must be placed on the back burner.”

“How do you stay out of trouble, then, Alice?” asked Maureen. “There are always legal concerns, benefits cost issues, and compensation studies, for example, that I would assume are necessary. There also must be lots of things that your employees want and deserve that require some attention,” replied Maureen.

“Maureen, you’re right! As a manager of a property in a multiunit chain, I do get some support from corporate officials, and I belong to several professional associations and attend meetings and receive updates from that source. I’ve learned some other tactics along the way, but obviously it’s not possible to spend all of the time on human resources concerns that I would like to.”

QUESTIONS

1. What additional practical tactics can Alice use to obtain necessary human resources-related information?
2. What information applicable to Maureen’s nutrition services employees will likely be relevant to all hospital employees? What specific concerns might Maureen have?
3. What tactics do you think single-unit restaurant operators without corporate-level assistance can use to cope with the less-than-ideal human resources information they probably have easily available to them?

HUMAN RESOURCES TERMS

The following terms were defined in this chapter:

Hospitality industry	Corporate culture
Labor-intensive	Value-added
Revenue	Human resources department
Human resources	Staff specialists
Human resources management	Employee union
Employee turnover	Policy
Intrapreneur	Work procedure
Management process	Empowerment
Resources	Downsizing
Job descriptions	Diversity
Manager	Executive committee
Supervisor	

FOR YOUR CONSIDERATION

1. Review Figure 1.2 in the chapter (Basic Management Functions Involve Human Resources Responsibilities).
 - a. What additional examples of each management function applicable to human resources might be the responsibility of top-level managers, mid-level managers, and supervisors?
 - b. While all of these management functions are important, which do you think are the most important? Why?
2. Review Figure 1.3 in the chapter (External and Internal Influences on Human Resources Activities).
 - a. What are additional examples of external and internal influences on each of the basic human resources activities discussed in the chapter?
 - b. How might a staff human resources specialist in a multiunit organization assist a property manager with the basic human resources activities noted in Figure 1.3?

CASE STUDY: HUMAN RESOURCES MANAGEMENT IN ACTION

Pedro and Felix were good friends who worked out regularly at the Muscle Man's Gym in their community. By coincidence, Pedro was the Dining Room Manager in an upscale restaurant in a local hotel, and Felix was the Director of Housekeeping at a resort with a similar business volume within easy commuting

distance of the community where both men lived. Not surprisingly, their jobs were a frequent topic of conversation after they completed their workouts.

“Felix, we’ve talked about this so many times before,” said Pedro. “It’s hard to believe that our employers are in the same basic business, and hire the same types of people, and yet their philosophies about human resources are so different.”

“I agree,” said Felix. “At my resort the emphasis is on, first, the guests, second on maximizing profit, and third on the employees. We churn through a lot of staff members who start out with a positive attitude about their work and whose morale then goes quickly downhill as they are confronted with things that really shouldn’t happen.”

“Give me an example,” replied Pedro. “Some of your stories are really fascinating.”

“Well,” responded Felix, “my most recent stories are really the same old thing. We use out-of-date job descriptions to recruit employees and, many times, there’s little resemblance between what new staff think they’re going to be doing and what they will actually do. Orientation sessions are done whenever there is time, training is done on-the-run, and if the staff members don’t learn quickly, top-level managers conclude that it’s because they don’t care, not because they haven’t been properly trained.”

“A lot of our supervisors have been there for a long time and really don’t care about the organization or their staff members. They sure don’t treat staff the way they would want to be treated themselves.”

“Performance appraisals focus on what staff members do wrong, not on what they can do right and how they can improve. There is an ongoing emphasis on job rather than on career, and many employees seem to just mark their time until there is a position vacancy at your hotel.”

Pedro had heard Felix talk about these issues many times before. His hotel was, in fact, an employer of choice where many persons in the community did want to work and, subsequently, where employee turnover rates were low. In fact, Pedro had long ago agreed to let Felix know if and when the Executive Housekeeper position vacancy at the hotel became available.

Pedro wondered why Felix’s employer didn’t seem to be concerned about the problem and wasn’t doing anything to address the concerns. To Pedro, they seemed like commonsense issues that had relatively simple fixes. He realized, however, that attitudes were much more difficult to change than procedures were to revise.

After thinking about it for a moment, Pedro said, “Felix, things are going to have to change at the resort, aren’t they? You’ve mentioned that business is getting slower. Maybe it’s because employees aren’t treated well and they, in turn, are less concerned about the guests. We both know that we’ll soon have another hotel in town, and the human resources people there will be aggressively searching for new staff members. If things don’t change at your property, things will get even worse than they are now.”

“You’re right about that, Pedro,” said Felix. “Our highest-level managers should already know that they are hurting themselves with their current employee practices. The point will really be driven home, and it will happen a lot sooner than they think.”

Dimension: Strategic

1. How are the results of strategies used to manage human resources at Felix’s hotel affecting the business?
2. What are possible reasons that top-level managers at Felix’s property do not recognize the problems that a lack of focus on human resources concerns are creating?

Dimension: Tactical

1. What could Felix, as a department head, do within his own level of responsibility to improve the management of human resources within his department?
2. What might Felix do to alert others at his resort about the human resources problems that he senses?

Dimension: “The Friendly Competition”

1. What can Pedro’s hotel do to capitalize on the human resources problems accruing at Felix’s resort?
2. What tactics can Pedro’s hotel use as it faces competition for its employees from the new hotel that will soon be opening in the community?

INTERNET ACTIVITIES

1. Numerous Web sites provide current information about the world of human resources management. These can be helpful as one studies the topic or works within the hospitality and tourism industry. Check them out!

Hospitality-Related Sites

- Hotel-online.com: www.hotel-online.com (Type “labor” in the site’s search box).
- Restaurants & Institutions: www.rimag.com (Type “human resources” in the site’s search box).
- Council of Hotel & Restaurant Trainers (CHART): www.chart.org (Click on “resources,” and then “research”).
- Hospitality Net: www.hospitalitynet.com (Type “human resources” in the site’s search box).

General HRM-Related Sites

- KnowledgePoint: www.knowledgepoint.com
- Workforce Management: www.workforce.com

- Society for Human Resources Management: www.shrm.org
 - World Federation of Personnel Management Associations: www.wfpma.com
 - Business and Legal Reports: www.hr.blr.com
2. The Educational Institute of the American Hotel & Lodging Association (AH&LA) offers a certification program for hospitality human resources professionals. To learn about the program, go to: www.ei-ahla.org. When you arrive at the site, click on “Certification,” then “Professional Certification Descriptions,” and then “Certified Human Resources Professional.”

ENDNOTE

1. This section is adopted from: Marilyn Loden, *Implementing Diversity*. Boston, MA: McGraw-Hill, 1996.