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## Best Practice HRD: Exploring the Feasibility of Conventional Models in the Small Firm: the Case of the Irish Hotel Sector

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**Best Practice HRD:**

**Exploring the Feasibility of Conventional Models  
in the Small Firm:**

**The Case of the Irish Hotel Sector**

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In Fulfilment of the Requirements of the Degree of:

**Master of Philosophy**

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**March 2004**

## **DECLARATION**

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## ABSTRACT

The growth and popularisation of best practice HRD literature has been a key feature of recent international management research. This study explores this concept within the context of the small firm. In particular, the work sought to analyse the feasibility of conventional best practice HRD, theoretically and empirically, within a small hotel environment.

Conventional best practice theory advocates that HRD takes place within a structured framework of formal plans and procedures. It explicitly overlooks and ignores informal and tacit means of training, which have proven to be particularly crucial within small hospitality firms. Yet, many small firms *are* successful and continue to grow and develop with stable workforces. This suggests that it is something more fundamental that constitutes the true nature of best practice rather than the adoption of a formal, structured approach to HRD activity.

Despite the burgeoning, prescriptive literature in the field of best practice HRD, the transition to this new organisational scenario is one that has not been well researched within small organisations. The idiosyncrasies of small firms, in particular their preference for operating informally, exert a unique influence on the nature of HRD in these businesses. It is thus the distinctiveness of the small firm and the unique constraints it faces that provided the interpretive context for considering small firm potential for achieving best practice HRD status.

Rather than demonstrating a lack of interest in, or concern for, best practice HRD, analysis of the fieldwork data revealed that small firms may in fact be uncomfortable with the formality and structure inherent in much conventional theory. Hence, the researcher suggests that *this* may be the reason behind why these businesses rarely exhibit behaviour characteristic of best practice HRD in its conventional sense. The study therefore concludes that formality and structure are incidental to the concept of best practice HRD. Rather than a set of identifiable and visible activities, the true nature of best practice HRD may be found deep within the culture of an organisation. In effect, it isn't what an

organisation does, but why it does it that enables a business to achieve best practice status. It is the beliefs that underpin the visible activities that constitute true best practice HRD.

## **CHAPTER 1:**

### **BACKGROUND TO THE STUDY**

#### **1.1    Introduction**

This work explores human resource development (HRD) in small enterprises in the Irish hotel industry. The study questions both the suitability and the feasibility of conventional best practice HRD<sup>1</sup> for small businesses and seeks specifically to develop an understanding of the concept from the perspective of the small hotel.

The hotel sector has been central to the unprecedented success of Irish tourism throughout the last decade. It is one of Ireland's largest indigenous industries, which makes a significant contribution annually to the Exchequer and provides employment and incomes in every city and town in the country (IHF, 2001a; CERT, 2002a,b). The Irish hotel sector has enjoyed a period of intense growth over the past decade. The IHF (2001a, 2002) attribute this growth and expansion to the favourable confluence of a number of key factors including a greater availability of investment incentives, an increasingly competitive economy, expanding market demand, a low cost operating environment, good availability of factor inputs and an improved product offering. The industry has continually demonstrated a willingness to invest in its physical capital in an effort to modernise the product to meet changing consumer needs. Unfortunately, however, as CERT (1999; 2000a; 2001, 2002b) have continually remarked, this investment in property has not been matched by an equal investment in human resources. Indeed, much of the industry is said to have overlooked important HR issues, such as training and development and staff retention, as labour has traditionally been in plentiful supply. Moreover, recent reports published by the IHF (2001a, 2002) and CERT (2002b) reveal that the industry is currently confronted with considerable challenges, particularly in relation to the management of labour. Significant difficulties in attracting and retaining staff abound, with the result that employers are confronted with acute skill shortages, a tightening labour market and high

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<sup>1</sup> The author does not wish too rigid an interpretation to be placed on the term 'best practice' and so the terms 'excellent' or 'successful' are also used throughout the work.

levels of staff turnover. Thus, in order for the industry to maintain its competitive success of the 1990s, both CERT (ibid) and the IHF (ibid) contend that a professional and sophisticated approach to the management of operations must be adopted, particularly in the area of HRD. Indeed, in recent times, academics and practitioners alike have begun to recognise the necessity of developing the mindsets, skills and abilities of the workforce – the value of human resource development (HRD) – as a means of achieving organisational success (Salamon and Butler, 1990; Heraty and Morley, 2000; Morgan, 1991). The importance of HRD has also been recognised at national level with considerable efforts to improve the country's HRD investment strategy evident in recent years (Heraty and Morley, 1998; Gunnigle et al, 2002). National best practice HRD initiatives such as the United Kingdom's Investors in People (IIP) programme and Ireland's Excellence Through People (ETP) programme serve to illustrate the significance currently placed on training, education and learning (IIP UK, 2002; FÁS, 2002).

## **1.2 The Research Context**

The predominance of small firms is one of the defining characteristics of the hotel industry, both domestically and worldwide (IHF, 2002; Maher and Stafford, 2000; Morrison and Thomas, 1999; Lanier et al, 2000). Indeed, the latest figures released by the European Observatory for SMEs (2002) confirm that small enterprises can be found at the heart of Irish industry and commerce, with companies employing less than 50 people comprising 98% of all enterprises and 34% of all employment. Small businesses have risen to the fore in recent years and have become a critical focus of business, political and research interest (Curran and Blackburn, 2001; Barry and Milner, 2002). A host of academic studies have suggested that small firms play a vital role in assisting economic growth, creating new jobs, reducing unemployment, promoting flexibility and innovation and acting as the seed-beds from which new larger organisations can grow (Walsh and Anderson, 1995; Smith et al, 2002; Boocock et al, 1999; Storey, 1994; Gudgin et al, 1995; Forfás, 1999). The particular contribution of small hospitality firms is acknowledged by Beaver et al (1998: 156), who remark that 'the significance of small firms in delivering a substantial part of the total output of tourism and hospitality goods

and services is a long established feature of these industries'. Despite this, however, a dissonance between this structural feature of the industry and the research interests of both mainstream and hospitality academics is evident, this being the case particularly in relation to HRD (Thomas et al, 1999; Jones-Evans, 1997; Dewhurst and Horobin, 1998; Morrison and Thomas, 1999; Jameson, 2000; Matlay, 2000). The tendency of management theory to emphasise large firms gives a distorted picture of the industrial landscape, masking the fundamental importance of small enterprises as a source of employment and as contributors to a dynamic economy (Hendry et al, 1995).

Given today's fierce global competition, the identification and use of best practice is regarded by many as being a critical component of managerial excellence and as a means of producing the best possible performance (Rogers, 1997; Geringer et al, 2002; Jarrar and Zairi, 2000; Rodwell et al, 2002). The achievement of world-class service through the identification and promotion of best practice principles in human resource management (HRM) and HRD forms a critical element of CERT's Statement of Strategy 2000-2006 (CERT, 2000a). The plan was developed under the auspices of the National Development Plan 2000-2006, which sets out the Government's priorities regarding tourism and hospitality training and development. Both the larger domestic groups and the international hotel chains operating in Ireland have begun to recognise the importance of benchmarking and the implementation of best practice (CERT, 1999). However, these firms invariably possess the critical infrastructure – the resources and the specialist expertise – to implement best practice HRD initiatives. On the other hand, evidence appears to suggest that the smaller, unaffiliated properties that dominate the industry's landscape, lack the knowledge and management expertise to conduct benchmarking studies and subsequently implement best practice (Ogden, 1998). Despite the assertion that national best practice HRD initiatives such as IIP and ETP are applicable to all organisations regardless of size or sector, smaller businesses in general continue to resist them (FÁS, 2002; Hill and Stewart, 1999). Smith et al (2002) report that the most significant barrier to small firm participation in these initiatives is the fact that they are often viewed as 'a big company thing'. Ram (2000a: 71) states that 'the view that "best



practices” are applicable to firms of all sizes and operating in any sector is highly contentious’. Support for this argument is provided by Alberga et al (1997), who acknowledge that it is questionable whether “best practice” can be defined and identified within such an all-embracing remit. In addition, Thomas (1998) argues that sufficient grounds exist for the separate study of small tourism and hospitality firms in particular, observing that the economic sector in which a firm is situated is crucial in influencing the phenomenon under investigation.

### **1.3 The Research Problem**

A cursory look at the benchmarking literature reveals that evidence of best practice almost uniformly derives from, and is oriented toward, large firms (Cassell et al, 2001; Jarvis et al, 2000; Wyer and Mason, 1999; McAdam, 2002; Marlow, 1998). Consequently, as Hendry et al (1995: 14) observe, ‘training and human resource management advice to small firms has been monotonous in its prescription of large-scale solutions’. To further compound the issue, many of these studies assume that large organisation praxis can be scaled down and applied to small firms (McAdam and Kelly, 2002). Contemporary academic opinion suggests that this assumption is fundamentally flawed as it is now widely accepted that small firms are not simply scaled-down versions of larger organisations (Storey, 1994; Wynarczyk et al, 1993; Welsh and White, 1981) and thus, much of the content of these best practice studies cannot readily be transferred to small businesses (Wyer and Mason, 1999). It is therefore fair to say that, to date, little or no consideration has been given to the implementation of best practice HRD in small firms, with many researchers basing their theorisations on models originally developed with large firms in mind (Wyer and Mason, 1999; Heneman et al, 2000; Vickerstaff, 1992b). However, this does not in any way imply that small firms are any less concerned with best practice HRD than their larger counterparts, but rather that they may be uncomfortable with the formal and structured approaches that are invariably advocated as part of best practice programmes and initiatives (Holliday, 1995; Wynarczyk et al, 1993). Indeed, it is therefore conceivable that this may be the fundamental reason behind their apparent poor-use of best practice HRD to date. Thus conventional best practice theory

may have potentially limited utility in the small firm context and one must therefore question the philosophical and conceptual basis of conventional best practice HRD, its relevance and applicability to small firms in general, and to the hotel sector in particular.

The preceding discussion clearly highlights the need for researchers to explore and theorise on the concept of best practice HRD within a small firm context, as it would undoubtedly provide more appropriate benchmarking standards. By way of illustration, Joyce et al (1995: 19/20) comment that 'the theory of training in small businesses must be guided by empirical research', while Lane (1994: 21) observes:

Understanding how SMEs approach training and generating models of effective practice from within SMEs themselves would be a worthwhile endeavour.

Given the importance attached to both the competitiveness of small hotel firms and the current emphasis placed on implementing best practice HRD in the Irish hotel industry, this study clearly represents an important piece of research. In addition, it is anticipated that the work will play an important role in the bridging of the knowledge gap concerning the practice of HRD in small firms, an area that has received comparatively little consideration to date (Matlay, 2002b; Anderson and Boocock, 2002; Huang, 2001).

It is only in recent times that small firms have become an area of academic interest (Shaw, 1999), a failing which has begun to be addressed by, among others, Storey (2000), Curran and Blackburn (2001) and Barrow (1998). The Irish situation is highlighted by Jones-Evans (1997) who contends that our limited understanding of small organisations is primarily a result of the lack of quality research into the sector. The void in small business research is particularly prevalent with regard to the services sector of the economy. Both Hoque (2000) and Jameson (1998) observe that the growing economic importance of services is at odds with the lack of empirical research undertaken within the sector.

Athiyaman (1995) argues that gaps exist in almost all areas of hospitality research. Similarly, Harrington and Lenehan (1998:55) observe that ‘relative to other service industries it is fair to say that the sector has received little attention from mainstream management researchers’. The preceding discussion suggests that this gap in knowledge is particularly prevalent with regard to small tourism and hospitality firms. By way of illustration, Dewhurst and Horobin (1998:19) state that ‘while there has been a recent increase in the amount of material appertaining to small tourism and hospitality firms, it has failed to keep pace with the burgeoning growth in the generic body of work’. Schmelzer and Olsen (1994) maintain that the fragmented nature of the industry and the number of individually owned properties, particularly in Ireland, make it difficult to conduct large scale studies which can contribute to useful frameworks and enhance our understanding of the industry. This lack of critical understanding of small firms is both disappointing and surprising, not least because the hospitality industry is recognised as being of tremendous importance on both a national and global scale (Dewhurst & Horobin, 1998; Thomas, 1995).

#### **1.4 The Research Questions**

Bearing in mind the exploratory nature of the study, the research questions were designed with the specific purpose of generating new knowledge and understanding. To this end, three principal questions were developed. The first question draws out an explanation of the research problem, whilst the second and third serve as a means to that end. The central question guiding the study was:

- 1. Are models of conventional best practice HRD applicable in the context of a small hotel?*

This central question provided the basis for two additional research questions:

- 2. What characterises HRD in small hotels and how and why do they develop the HRD approaches they do?*

3. *What constitutes best practice HRD from the perspective of a small hotel and how and why do they achieve excellence in HRD? How does this compare to conventional best practice HRD?*

The overriding purpose of the study was to resolve the fundamental issue as to whether it is feasible for small hotels to implement the normative prescriptions of conventional best practice HRD models. The study also sought to gain an understanding of the nature of a small hotel itself, its approach to HRD and how and why it adopts the approaches it does, as this will undoubtedly influence what can realistically and sensibly be termed ‘best practice HRD’ in this context. This naturally leads to the third and final research question, which deals with the matter of what characterises best practice HRD from the perspective of a small hotel and how this compares to conventional practice. The study thereby evokes the critical issue of whether empirical examples of small firm HRD must conform to existing normative best practice models, with their emphasis on structure and formality, in order to be considered valid and true examples of best practice.

### **1.5 Research Aims & Objectives**

The study aimed to question the appropriateness of conventional best practice HRD for small enterprises and sought specifically to explore and develop an understanding of what can be considered best practice in a small hotel context. The work therefore naturally draws in, and upon, the wider issue of HRD in the small firm in general as a resolution to the research problem requires an understanding of current HRD practice in small hotels as this will undoubtedly influence what can realistically be considered best practice HRD in this context. To this end, the research sought to accomplish a number of specific objectives:

- To determine the characteristics of conventional best practice HRD, using secondary sources as the focal context;
- To explore and describe the HRD approaches found in the small hotels studied;

- To investigate whether models of conventional best practice HRD are applicable to small hotels;
- To examine and establish how small firm HRD may impact upon the implementation of conventional best practice HRD in such organisations;
- To develop an understanding of the concept of best practice HRD from the perspective of a small hotel and compare this to the characteristics of conventional best practice HRD.

## **1.6 Thesis Structure**

An overview of the thesis structure and programme of work may be found in Appendix 1. This framework depicts the three main phases of the research design: 1) conceptualisation of the project leading to a research methodology; 2) fieldwork leading to an analysis of the data collected and the reporting of results; and finally, 3) project conclusions.

To bring a timeframe to the figure and bring the programme of work into context, the project was registered with the Dublin Institute of Technology (DIT) in November 2000; fieldwork began with a survey of 348 small Irish hotels over the period October to December 2002 and was followed by a series of interviews with small hoteliers in February 2003.

## **1.7 Conclusion**

This first chapter has served an important purpose by introducing a number of key issues and ideas that are further explored and developed throughout the work. Primarily, given the fact that small family-run firms represent the largest concentration in the Irish hotel market, a paradox clearly exists with regard to the paucity of research devoted to examining the HRD practices of these businesses. This also appears to be case in terms of best practice, with evidence of excellent HRD activities mainly originating from studies undertaken within larger organisations. The growing contention that small firms are not microcosms of their larger counterparts would, therefore, seem to suggest that the recommendations of these studies cannot be readily applied

within a small firm setting. Thus, bearing in mind the preceding discussion, the researcher proposes that small firms are not any less concerned with, or interested in, best practice HRD than larger businesses, but rather that they may be uncomfortable with the formality and structure inherent in the recommendations of best practice studies.

In Chapter Two, the reader is provided with an overview of the theoretical context of, and background to, the study as presented in the extant literature. The chapter begins by accentuating the importance of HRD and the reasons behind the central role it plays in contemporary hospitality organisations. The key concept of HRD itself is then explored in detail. In addition, the researcher discusses the reality of HRM and HRD practice within the context of the hotel industry.

**CHAPTER 2:**  
**LITERATURE REVIEW PART 1:**  
**EXPLORING HUMAN RESOURCE DEVELOPMENT**

**2.1    Introduction**

It is widely acknowledged that we are living in increasingly turbulent and complex times (Flood et al, 1996; Becker and Gerhart, 1996). A rapidly changing economic environment, characterised by such phenomena as the fragmentation and deregulation of markets, increased liberalisation of international trade, shorter product life cycles, changing investor demands and massive developments in technological infrastructure have become the norm for most organisations (O'Mahony and Sillitoe, 2001; Donovan et al, 2001; McCracken and Wallace, 2000a). Moreover, consumers are voicing increasingly demanding calls for higher quality products and services, delivered faster and at a lower price (Garavan et al, 1999b). Consequently, today's global economy demands innovation, speed, adaptability and low cost (Becker et al, 1997).

Academics and practitioners alike proclaim that successful organisations recognise that human resources are ultimately the only business resource with the creativity and adaptive power to create, renew and sustain organisational success, despite changing market conditions (Heraty and Morley, 2000; Cheney and Jarrett, 1998; Donovan et al, 2001). This stems from the belief that new ideas represent a company's very DNA and thus learning and the development of people becomes crucial to survival (DeGeus, 1997; Torraco and Swanson, 1995). The European context is highlighted by Sparrow and Hiltrop (1994: 423) who maintain that 'the success of European organisations will in large part be determined by their ability to train and develop their employees to meet the challenges of business integration and change'. In the Irish context, the Government's White Paper on Human Resource Development (1997) acknowledges that as the pace of change accelerates, it will be the adaptability of people and the ability of organisations to respond quickly to exploit new and emerging opportunities that will determine their success. The advent of the knowledge society has therefore clearly prompted

an increasing awareness of the importance of human resource utilisation and the development of intellectual and human capital as a means of raising productivity, enhancing competitiveness, and increasing output and income throughout the economy (O'Connell and Lyons, 1995; Heraty and Morley, 1994; Durkan et al, 1999; Heraty and Morley, 2000; Government of Ireland, 2000).

## **2.2     The Importance of People Management**

Although this thesis is primarily concerned with HRD, as Sambrook (1998) notes, there is clearly a relationship between the activities associated with managing work through relations with people and activities associated with developing people. Thus, the preliminary phase of the literature review briefly focuses on the growing importance of effective labour management as a means of improving organisational performance and ultimately of ensuring the survival of the business through the achievement of sustainable competitive advantage.

The last two decades have witnessed a profound shift in thinking about the role that people play in organisational success, with a growing view that effective labour management is a critical organisational capability and one which should be highly integrated with the strategic aims of the business (Gratton et al, 1999; O'Brien, 1998; Pfeffer, 1994). Indeed, a growing number of successful organisations have come far along 'the evolutionary path from old style command and control, to a truly people centred approach which puts progressive people management at the core' (CIPD, 2001a: 2). The growing concern with people management had arisen primarily because many of the traditional sources of competitive advantage that companies have been able to rely on such as patents, economies of scale, use of technology, access to capital and market regulation, are being eroded. These assets do not differentiate firms the way they once did (Becker et al, 1997; Harvey Jones, 1994; Appleby and Mavin, 2000; Darling et al, 1999; Gratton, 1999). Increasingly, companies are relying on their human assets – the knowledge, competence and capabilities of the workforce – as their primary source of competitive advantage. Thus, in today's world, people and how they are managed have



become an integral source of sustainable competitive success (Pfeffer, 1998; CIPD, 2001a, 2001b; Heraty and Morley, 1997; Oakland and Oakland, 2001).

The impact of human resource management on organisational performance is an important theme in recent international commentary and research (Guest, 1997; Truss, 2001; Wright et al, 1999). There now exists a substantial and rapidly growing body of empirical evidence that points to the strong connection between how firms manage their people and the financial results achieved (see for example Huselid, 1995; Delaney and Huselid, 1996; Guest and Baron, 2000; Baron and Collard, 1999; Arthur, 1994; MacDuffie, 1995). Early attempts to link progressive people management practices to business performance relied on the common sense belief that improving the way people were managed inevitably led to greater organisational performance, without being able to justify the claim in empirical terms (Baron and Collard, 2000; CIPD, 2001b). However, sufficient evidence now exists for a number of commentators such as Ulrich (1998) and Truss (2001) to state with confidence that how organisations manage their people has a powerful effect on organisational performance, both in financial terms and on the market value of the firm.

The case for the effective management of human resources is made even more strongly when discussing hotel operations. By its very nature, the hotel industry is a labour-intensive service industry, depending 'on the social and technical skills of its personnel, their ingenuity and hard work, their commitment and attitude' for competitive success (Gabriel, 1988: 7). This contention is widely supported throughout the hospitality literature (Nankervis and Debrah, 1995; Tracey and Nathan, 2002). Pfeffer (1998) also stresses that the HRM-performance linkage is stronger in service firms. The personal nature of hotel services places considerable emphasis on the importance of direct interaction between employees and customers (Mullins, 1993, 1998; Buick and Muthu, 1997). As Kadampully (1999:37) notes:

In labour-intensive service industries, it may be argued that the human factor holds the ultimate balance in the organisation's success because of the important interaction between employees and customers at the service interface.

It is therefore imperative for the industry to develop progressive people management practices and policies that will enable them to attract, retain, develop and motivate competent employees, who will in turn contribute to the successful achievement of organisational objectives (Cheng and Brown, 1998, CIPD, 2001b).

### **2.3 HRD & HRM: Examining the Nexus**

There appears to be diametrically opposing views on the nature of the relationship between HRD and HRM within the extant literature. For many commentators, HRD is best seen as part of the wider field of human resource management (Luoma, 2000a; Thomson and Mabey, 1994; Harris and DeSimone, 1994; Pettigrew et al, 1988; Hargreaves and Jarvis, 1998). Sambrook (1998) observes that HRD is often treated as a component of HRM and refers to Guest's (1987) normative theory, which describes how training and development fits in or is integrated with HRM. Indeed, Keep (1989) and Storey (1992) contend that HRD activities are central to the reality of anything that can meaningfully be described as HRM. Furthermore, they argue that an organisation's HRD effort is the main litmus test of the reality of the adoption of HRM. Despite this, however, many others stress that it is not helpful to think of HRD in this manner (McLagan, 1989; University Forum for HRD, 1995). They claim that HRD is a major area in its own right and proclaim that viewing it as a sub-set of HRM will cause HRD to lose its power base and become less important in the eyes of senior managers (Darling et al, 1999). Stewart and McGoldrick (1996) adopt a somewhat different perspective. They contend that neither HRM nor HRD is a sub-set of the other but rather that each has its own 'distinctive, albeit problematical, space in the analysis of the human aspects of contemporary organisations' (ibid: 9). Thus, viewing HRM and HRD as separate, yet complementary processes, may be a worthwhile undertaking (Nadler and Nadler, 1989; Thomson and Mabey, 1994).

Sambrook and Stewart (1998) propose that the emergence of the term HRD has parallels with the shift in the mid 1980s from a functional and operational orientation to a more strategically integrated approach to the management of the workforce. In other words, 'in the new generation of organisational

theories, HRD has been born to accompany HRM' (ibid: 172). Thus, it may be fair to say that HRD is, in essence, a product of its era (Stead and Lee, 1996). Both HRM and HRD have evolved, and are still evolving, to fit different and changing contexts, and as such are contingent rather than absolute concepts (Legge, 1995). The growth and maturity of HRD from narrowly defined training and development terms to an area with a strategic significance in its own right may be attributed to developments in the fields of organisational and management theory. These include the resource-based view of the firm (Barney, 1991), the concept of core competencies (Prahalad and Hamel, 1990) and the learning organisation (Pedlar et al, 1991). Walsh (1998) remarks that these developments have combined to help put HRD on the strategic agenda and to ensure that it has become the focus of attention in recent years.

## **2.4 Human Resource Development: A Definition of Terms**

A review of the literature reveals a great many attempts by a pantheon of authors to define HRD in terms of what they perceive as its key conceptualisations. Attempts thus far have been varied and many, neatly reflecting the diverse academic and socio-political backgrounds of HRD scholars. By way of illustration, Walton (1999) notes that the problem of definition is particularly apparent in relation to HRD, where each authority on the subject appears to adopt a different stance. Similarly, Garavan et al (1999a) highlight the definitional chaos that characterises the HRD literature, while Megginson et al (1999:5) refer to the fog factor and confusion surrounding the HRD discourse that has developed:

Anyone new to the world of human resource development will quickly realise that one of the most important requirements for a speedy assimilation is to learn the language.

Human resource development as a technical term was first coined by American writer Leonard Nadler in the late 1960s and was defined originally as 'a series of organised activities conducted within a specified time and designed to produce behavioural change' (Nadler, 1970, as cited in Walton, 1999:57). For Garavan (1991: 17):

HRD is best seen as the strategic management of training, development and of management/professional education interventions, so as to achieve the objectives of the organisation while at the same time ensuring the full utilisation of the knowledge

in detail and skills of individual employees. It is concerned with the management of employee learning for the long-term keeping in mind the explicit strategies of the business.

Armstrong (2001: 515) also emphasises the strategic dimension of HRD, stating that it is concerned with the 'development of strategies for the provision of learning, development and training opportunities in order to improve individual, team and organisational performance'. In addition, Stewart and McGoldrick (1996) recognise that HRD is both strategic and practical in application, is inherent in organising and managing, and is concerned with leadership, culture, organisational learning and development and change. Indeed, a number of commentators maintain that HRD is fundamentally concerned with the management of change (McHugh and O'Brien, 2001; Leopold et al, 1999; Garavan et al, 1999a).

McGoldrick et al (2001: 344) note that the process of defining and delineating HRD 'is *frustrated* by the apparent lack of boundaries and parameters' associated with the concept. Thus, as Garavan et al (2002) observe, the issue of what constitutes HRD varies considerably depending on whether the term is defined from an academic or practitioner perspective. They add that HRD is often contingent upon cultural contexts, the intended audience for developmental activities and also the intended beneficiaries of the outcome of the HRD process. Therefore, as Garavan et al (1999a: 170) maintain 'HRD can and does pursue a wide variety of agendas and it can serve a wide range of purposes'.

There is widespread consensus that HRD is a vast and diverse area of both practice and knowledge, with many authors indicating the varying root disciplines underpinning the field (Weinberger, 1998; Luoma, 1999; Marsick, 1990). Jacobs (1990) contends that the multidisciplinary nature of HRD contributes to its lack of distinctiveness, making precise definition of the concept decidedly difficult (McGoldrick et al, 2002; Garavan et al, 1993). Kuchinke (2000: 32) remarks that 'the field of HRD...is relatively young and concerned with gaining and expanding its academic legitimacy' relative to other well-established fields such as adult and vocational education, and 'the

array of management and organisational sciences'. Moreover, other authors (Garavan et al, 2000; Hatcher, 2000) remark that the field has not yet established a distinctive conceptual or theoretical identity. Despite this, however, there appears to be considerable 'overlap and interdependence with the theoretical domains' that are frequently regarded as the foundations upon which HRD has developed (Weinberger, 1998: 81). The most commonly cited theories that are said to have contributed significantly to the conceptual base of HRD include systems theory, economic theory, psychological theory, performance improvement and learning theory (Swanson, 1995; Torraco, 1997; Garavan et al, 2000; Weinberger, 1998). Nevertheless, as Garavan et al (1999a: 172) observe:

HRD is still in search of a conceptual base in order to develop the knowledge and theory to be recognised as a legitimate field of study.

#### ***2.4.1 Training and Development, HRD and Strategic HRD: The Distinction***

There is a lively debate within the literature concerning the extent to which HRD, as an organisational activity, actually differs from traditional training and development. Walton (1999) notes that HRD and training and development are regarded as interchangeable notions by numerous commentators and remarks that many writers tend to equate one with the other. Walton (ibid: 66) also cites the statement made by the University Forum for HRD (1995) on the issue:

...although HRD as a concept and as a practical discipline owes many of its roots to employer-driven learning activities, it is beginning to encompass far more than traditional training and development.

El-Sawad (1998) argues that equating HRD with training may be far too narrow a conceptualisation. This contention is shared by Megginson and Pedlar (1992), who add that although HRD is not purely about training, training activities are an integral component of the concept. Continuing, El-Sawad (1998) remarks that developmental interventions come in many forms and are not the sole reserve of training courses. The overriding concern with training may therefore give a narrow and distorted view of the realities of HRD

practice. In this regard, Walton (1999) maintains that a broader HRD perspective would help to create greater insights.

Despite the preceding discussion, prominent researchers Alreck and Settle (1995) suggest avoiding the use of academic terminology or jargon in field research on the basis that respondents may experience difficulties in understanding the researcher's perspective. Such sophisticated vocabulary, they maintain, is undoubtedly peculiar to the academic elite. Furthermore, in their study of the decision-making processes of small business owner-managers, Grant et al (2001) deliberately excluded management terminology from their research instruments and focused instead on what the respondents actually did in relation to various aspects of their business. Such stances, therefore, have considerable implications for the how the concept of HRD is operationalised in the study of small organisations.

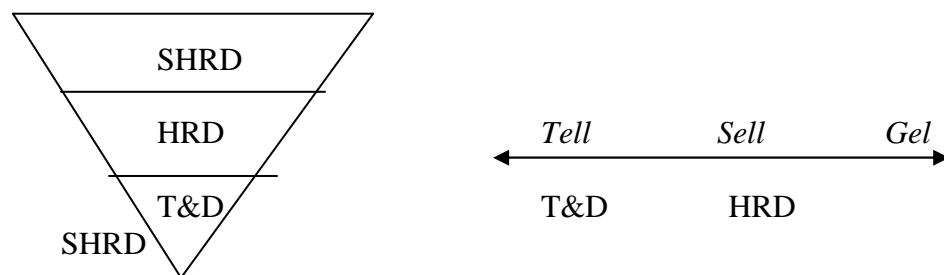
Hill (2002) deals extensively with the matter of researching HRD from the perspective of small enterprises. Primarily, she notes that there appears to be greater reference to training or to training and development in a small firm context, rather than HRD. In addition, she observes that 'HRD in small organisations is more likely to be talked about and perceived in terms of training and development' (Hill, 2001: 8). In a similar vein, Rigg and Trehan (2002) remark that most studies tend to frame HRD as training and development and that training is often used as the barometer of HRD activity in SMEs. Thus, it may be said that training and development activities 'constitute the dominant and...the most 'visible' component of HRD' (Hill, 2001: 8). The resultant implications are that small business researchers may be better served by focusing their efforts and attention on training and development rather than endeavouring to explore the phenomenon of HRD, which, potentially, may be non-existent.

A number of authors make further distinctions between training and development and HRD and a related concept, strategic human resource development (SHRD) (McCracken and Wallace, 2000a; Harrison, 1997; Walton, 1999). Sambrook (1998) declares that there are two key features

distinguishing HRD from traditional training and development: the adoption of a strategic, business-oriented approach and the involvement of many stakeholders in the process. Similar views are echoed by Rothwell and Kansas (1991). Sambrook (1998) elaborates the discussion further to include SHRD and uses the illustration of a pyramid to present the three concepts and to explain how the three might be related (See Figure 2.1). For Sambrook (1998: 290) the concepts ‘suggest a series of layers, built up from the bottom layer of T&D, which is narrow, with the wider element of competent HRD, up to the comprehensive concept of SHRD’. Walton (1999: 82) takes the position that:

SHRD is an extension of HRD, with a distinctive focus on the holistic orchestration of learning in organisations. It is based on the supposition that learning must be treated by organisational policy makers as a deliberate process rather than an accident.

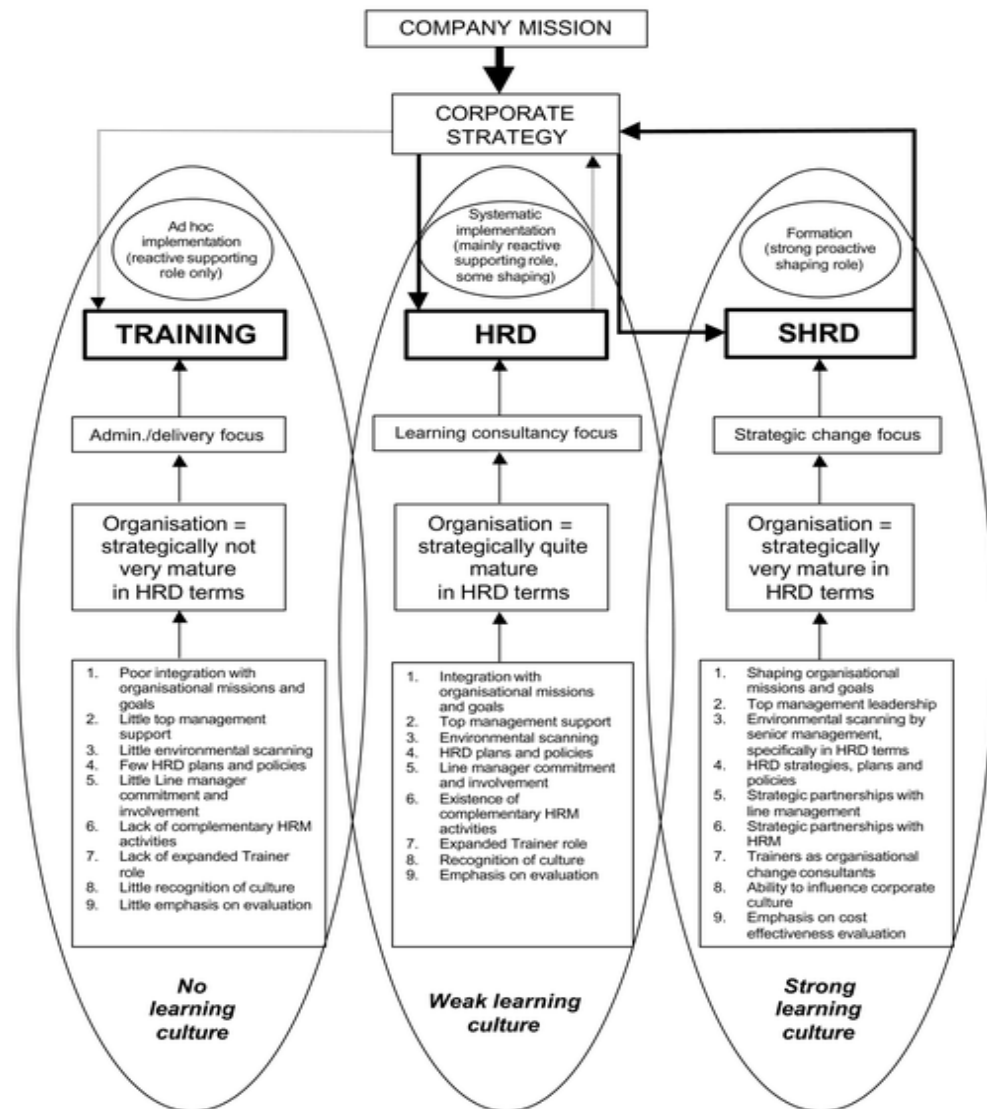
**Figure 2.1: How T&D, HRD and SHRD might be related**



Source: Sambrook (1998: 290)

McCracken and Wallace (2000b: 10) present a useful model of the three principal approaches to HRD within organisations: the ‘training approach’, the ‘HRD’ approach and the ‘SHRD’ approach. For them, the overriding distinction between the three concepts is the nature of their relationship to the business strategy (See Figure 2.2)

**Figure 2.2: A Model of SHRD**



*Source: McCracken and Wallace (2000b: 434)*

#### **2.4.2 Constituents of HRD**

It is generally accepted that HRD encompasses the principal activities of training, education and development, with learning positioned as the primary focus of these interventions (Stewart and McGoldrick, 1996; Gunnigle et al, 2002; El-Sawad, 1998; Armstrong, 2001). Garavan (1997) observes that the debate abounds within the literature concerning the distinction, if any, that exists between these three activities. Darling et al (1999) also acknowledge



that there is not so much a lack of standard definitions of training, development and education but rather a lack of consensus about their scope and where the dividing lines should be drawn between them and the term HRD itself. These terms are indeed synonymous and interchangeable to some (Heraty and Morley, 1994; Holden and Livian, 1992; Horwitz, 1999), while to others they are viewed as distinct in nature (Nadler and Nadler, 1989; McCracken and Wallace, 2000b), each serving its own purpose.

Gunnigle et al (2002: 218) affirm that:

...while no standard definition of training exists it is generally expressed in behavioural terms and, in a narrow sense, refers to the planned acquisition of knowledge, skills and abilities (KSAs) required to perform effectively in a given role or job.

Similar definitions of training are advanced by Harrison (2000), El-Sawad (1998) and Stewart (1999). While training tends to be more short-term in orientation and focused on the current job, the KSAs gained through development interventions tend to occur on a more gradual level, unfolding over time. These learning experiences are also said to be long lasting (Harrison, 2000; Nadler and Nadler, 1989). Garavan (1997: 41) notes that within a HRD context, education 'teaches general skills and knowledge for the sake of a field or discipline rather than having a specific job focus'. In other words, education may be better perceived as an intervention directed towards the individual as opposed to any given organisational role.

While the concepts discussed above are presented as distinct in some way, it is clear that they all share a common feature: that is, all HRD activity is underpinned by learning (Gunnigle et al, 2002; Garavan, 1997). The contention that the overriding purpose of HRD is to promote learning among organisational members is extensively supported by such authors as Stewart (1992), Leopold et al (1999) and Hall (1984). Indeed, for Horwitz (1999) and McCracken and Wallace (2000a), the central role of HRD involves the development or creation of a learning culture. Moreover, according to Walton (1999), the ultimate success of HRD is conditioned by its ability to create an organisational environment conducive to learning. Thus, as Garavan (1997:

42) recognises, it is clearly logical to look upon training, education, development and learning as 'complementary components of the same process, i.e. the enhancement of human potential or talent'. Furthermore, from a HRD perspective, the relationship between them may be regarded as largely interactive, with each facilitating the other (Garavan et al, 1995; Truelove, 1992)

## **2.5 HRM & HRD in the Hotel Industry**

In 1988 the International Hotel Association (IHA) commissioned a study designed to gain an understanding of the industry's mindset concerning the strategic importance of HRM and its priority on the management agenda. One of the key findings of the study, which was conducted by Horwath and Horwath (1988), was the statement:

Throughout the course of our research it has become apparent to us that human resources are perceived to be the single most important issue facing the industry during the next two decades and beyond (ibid, as cited in Hulton, 1992: 231).

Horwath and Horwath's (1988) prediction has undoubtedly come to fruition as the heightened recognition of the importance of people for competitive success has propelled HRM to the forefront of hotel management concerns (Enz, 2001; Go and Pine, 1995; Maher and Stafford, 2000). In the Irish context, CERT (2000a) state that issues pertaining to the recruitment, development and retention of the workforce have moved centre stage within the industry.

It is widely acknowledged that the quality of service provided to the hotel guest is ultimately determined by the quality of the employee, whose performance plays an integral role in shaping the customer's experience of the service (Lashley and Watson, 1999; Kelliher and Perrett, 2001; Redman and Matthews, 1998; Borucki and Burke, 1999). In turn, the quality of the employee is undoubtedly determined by an organisation's approach to the management and development of its workforce. By way of illustration, O'Mahony and Sillitoe (2001) maintain that a professional competitive industry endeavouring to deliver international standards of service greatly depends on the training and education of its personnel. Randall and Senior

(1996) also found a link between the effective management of training and improved customer service. A number of studies by such authors as Davies et al (2001), Boles et al (1995), Roehl and Swerdlow (1999) and Conrade et al (1994) have discovered a significant relationship between the provision of HRD and positive HR outcomes. These include lower staff turnover, increased commitment, greater job satisfaction and morale, and also organisational outcomes such as increased service quality and enhanced productivity. Therefore, as Conrade et al (1994: 20) observe:

Failure on the part of hotel firms to develop the knowledge, skills, abilities and behaviours of these employees can have a dramatic effect on the viability of the entire organisation.

### ***2.5.1 The HRM/HRD Paradox***

In light of the above discussion one would expect the effective management and development of people to have been given high priority within the hotel industry. The opposite, however, appears to be the case. A wealth of empirical studies demonstrate that the management and development of human resources in hotels is underdeveloped and lacking in sophistication (Kelliher and Johnson, 1987, 1997; Price, 1994; McGunnigle and Jameson, 2000; Lucas, 2002). In this regard, Hoque (2000) highlights the paradox that exists between the potentially vital role played by HRM and HRD and the reality of actual practice within the hotel industry, given the growing importance of service excellence. Survey evidence has consistently revealed that there is a gap between a general awareness on the part of hotel firms of the need to train and develop their workforce and an actual commitment to training. By way of illustration, Lucas (1995) emphasises the discrepancy that exists between an organisation's stated human resource policy intentions and how these are implemented at an operational level. She also notes that this is a recurring theme within the hospitality literature. Hiemstra (1990: 218) also states that it is 'ironic that the hospitality industry which prides itself on providing service to its customers has been slow in applying the same principles to its own employees'. Forrest (1990) notes that almost every hospitality organisation claims to be people-oriented and to believe in HRD. In practice, however, a much smaller number follow through on these claims, especially in terms of

investing time and money in effective training and development. Given the importance of, and organisational benefits attributed to HRD, both Conrade et al (1994) and Roehl and Swerdlow (1999) also question why this paradox exists.

The hotel industry is said to be exceptionally insular in its values and outlook (Wood, 1995, 1997; Price, 1994). Insularity in this sense embraces a range of characteristics, including a resistance to change and a belief that the hotel industry is different from other industries to the extent that many of the management practices and procedures of the latter are of little relevance or use to the needs of hotels (Mullins, 1993; Medlik, 1994). A notable consequence of this insularity is that the management of hotel operations tends to be prescriptive rather than analytic, drawing heavily on what has traditionally been the response to situations (Wood, 1995; Gamble, 1991). This is said to result in a blinkered approach, isolating managers from the applications of more general management theories and practices (Mullins, 1998). Baum (1989: 139) suggests that:

While the business environment in hotels does have very distinct features, there is a danger that the emphasis which the industry places on uniqueness should not be at the expense of the application of more general principles of good management.

Johanson (2000) also states that much evidence appears to suggest that hotel managers either ignore relevant academic research or are unaware of it when making important decisions regarding which effective human resource systems to implement.

Iles (1994: 34) comments that 'the importance of people to organisational success is often acknowledged in rhetoric, as in company reports and media statements, but not much manifested in practice'. Indeed, in the latter half of the twentieth century, a litany in many companies has been "our employees are our greatest asset". Patterson et al (1999) and Dempsey (1998) contend that this rhetoric has been so often repeated that it has become a cliché. Boella (1996) remarks that the extent to which human resource policies are an essential component of the overall organisational policy may be a key indicator

of how a hospitality organisation values its human assets. However, Mullins (1998) and Maher and Stafford (2000) note that in most cases, personnel matters take a lower priority to other business issues, with the result that the personnel function is rarely seen as equal in stature to other business functions. As illustrated by Tracey and Nathan (2002: 17):

While most executives acknowledge the importance of HR for implementing strategic plans...we have seen few who formally incorporate HR concerns when developing a strategic direction.

A study conducted by Worsfold and Jameson (1991) also found that personnel managers and personnel specialists were excluded from major decisions within hospitality organisations. It must be observed, however, that the hotel industry is not alone in this matter. Guest and Baron (2000) note that despite asserting that people are their most valuable asset, most businesses still fail to prioritise employee issues. In addition, Purcell (1995) maintains that, in general, human resource strategies are third order strategies. In practice, employee-related issues tend to be ranked far below other business priorities and considered down stream from business decisions. Thus, it would appear that an overwhelming number of corporate executives are paying lip service to the notion of people as strategic assets (Davenport, 1999). Moreover, Pfeffer (1998) asserts that company performance can suffer if statements about the fundamental importance of people are inconsistent with practice.

Hoque (2000) remarks that while many studies undertaken in the past have revealed little concern for and interest in a proactive approach to HRM and HRD, an increasing number of more recent studies are reporting evidence to suggest that the situation may be improving (Harrington and Akehurst, 1996; Anastassova and Purcell, 1995; Buick and Muthu, 1997; Watson and D'Annunzio-Green, 1996; Gilbert and Guerrier, 1997). Hoque (2000) himself also presents a more favourable view of the situation, reporting that the hotel industry has undergone change in recent years and is now beginning to embrace the philosophy and practice of HRM, thereby narrowing the gap between theory and practice.

### ***2.5.2 HRD in the Irish Hotel Industry***

Information concerning the current HRD practices of Irish hotels is comparatively hard to come by. The annual surveys of employment conditions in the industry undertaken by CERT in recent years have failed to provide significant details relating to the existence of training plans and budgets, responsibility for training and the perceived benefits associated with the development of staff (CERT, 2001, 2002b). However, the 1999 survey (CERT, 2000c) revealed that the primary responsibility for training lies with the General Manager (48%), followed by the Human Resources/Personnel Manager (42%). Only 10% of hotels employed a full-time training manager. Not surprisingly, within the latest employment survey (CERT, 2002b), on-the-job training emerged as the most common type of training activity undertaken within the industry. However, a significant number of hotels (42%) reported that their staff had received formal training. The prominence of informal training was attributed to the fact that many establishments employ only a small number of people and thus have difficulty in providing additional employees to cover working shifts for those engaged in training. In addition, as much of the employees' work is performed in direct contact with customers, training is conducted on-the-job so that the experience of dealing with customers can be gained.

The 1999 CERT survey found a lack of conviction in the industry regarding the benefits of HRD. The majority of hotels felt that training resulted in significant improvements to service standards, skills and staff morale. However, only 50% of respondents considered that training had a significant impact upon increasing productivity and almost 40% felt that it had little impact on reducing staff turnover. Moreover, only about one-third felt that training had a significant impact on increasing the competitiveness of their business. These findings would appear to support Maher and Stafford's (2000) conclusion that the link between HRD and organisational success is not yet widely established in the Irish hotel psyche. A recent study into human resource management practice in the Irish hotel industry conducted by Keating and McMahon (2000) also found comparable results to that of CERT (2000c).

## **2.6 Conclusion**

This chapter has reviewed published generic and hospitality-specific research material in the field of human resource development. Primarily, this literature review has provided the theoretical underpinning and basis for future chapters.

In recent years, the concept of HRD has become a critical issue for management researchers and practitioners alike. Organisations are beginning to recognise the integral role played by training and development as they strive to compete in an increasingly turbulent and complex marketplace. This poses a significant challenge for the hospitality sector, in particular, as the achievement of a sustainable competitive advantage depends on the ability to develop and mobilise the intelligence, knowledge and creative potential of staff at all levels of the organisation. However, despite the widespread acceptance of the important role played by trained employees in the success of hospitality businesses, HRM and HRD have traditionally been weak links within the industry.

The problematic nature of outlining and defining the field of HRD has undoubtedly been the cause of many difficulties for management researchers. These difficulties have been compounded by the notion that the term itself is often perceived as academic jargon, rather than being reflective of routine organisational activity. The resultant implications for the study of HRD practices within small firms are, therefore, considerable. In an effort to overcome these difficulties, many researchers are focusing their efforts on training and development on account of its being representative of the activities that *are* actually taking place within these businesses.

The next chapter takes the theoretical discussion further by introducing the study's two key variables: HRD in small firms and conventional best practice HRD. The chapter begins by outlining the importance of small firms to the development of modern economies. It then moves on to a discussion of perhaps the most difficult task facing small business researchers: that of arriving at a suitable definition of the term 'small firm'. The author also explores some of the unique organisational features of small firms and

considers how these might be impacting upon their approach to HRD. An extensive discussion of the extant literature concerning the HRD practices of small firms is then presented. In addition, the author explores the importance of informality and tacit knowledge, regarded by many as being the key to understanding and analysing HRD in small organisations. Finally, the chapter examines the concept of best practice as applied to HRD. It concludes with a presentation of a synthesised model of conventional best practice HRD, which is used as the basis from which to answer the study's central research question.



**CHAPTER 3:**  
**LITERATURE REVIEW PART 2:**  
**HUMAN RESOURCE DEVELOPMENT IN SMALL FIRMS**

**3.1    Introduction**

Recent decades have witnessed a growing recognition of the crucial role and contribution made by small businesses to the success and competitiveness of modern economies (Holliday, 1995; Storey, 1994; Matlay, 2002b; Hill and Wright, 2001). The latest statistics published by the Observatory for European SMEs (2002) confirm the importance of small and medium-sized enterprises (SMEs) to the development of European economies: SMEs constitute over 99 per cent of the 20.5 million enterprises within the EU and employ approximately 66 per cent of its workers. Furthermore, over 19 million of these enterprises employ less than 10 people. The small business sector of the Irish economy is widely regarded as having been the primary driver of the country's recent economic growth rates of well above the European average (O'Dwyer and Ryan, 2002; Government of Ireland, 1999). Thus, as small firms become an increasingly important part of global economies, a growing number of academics are concentrating their research efforts on understanding the dynamics of these enterprises, including their approach to HRD (Hill and McGowan, 1999; Curran and Blackburn, 2001; Matlay, 2000).

**3.2    Defining the Small Firm**

Discussions about small firms frequently begin with the matter of how the term *small firm* should be defined. This is not surprising given that the most fundamental problem of small business research is that of arriving at a suitable definition of the small firm (Choueke & Armstrong, 2000). Indeed, ever since the publication of the notable Bolton Report in 1971, the issue of what constitutes a small business has posed considerable problems for researchers and policy makers alike. Even after almost three decades of research no universally accepted solution has emerged (Storey, 1994; Curran & Blackburn, 2001; Hill & Stewart, 2000; Thomas, 1998; Thomas et al, 1999; Gudgin et al, 1995; Bohan, 1994; Smith & Whittaker, 1998). Consequently, a review of the small business literature reveals 'a panoply of definitions which are justified by

their users on the basis of particular projects' (Thomas, 1998: 2). Ultimately, this considerable confusion has led to researchers tailoring or adjusting definitions according to the focus of their research interest (Storey, 1994; Walton, 1999). As Hynes (1992: 39) observes:

...the choice of a definition depends on the purpose to which it is to be put so that different aspects of smallness may therefore be more appropriate for some purposes than for others.

The problem of small firm definition is equally prevalent in studies of small tourism and hospitality businesses where a similar liberal use of the term is used (Thomas, 1998; Thomas et al, 1999; Lee-Ross, 1999):

There is no agreement in the literature about how 'small firms' in the hospitality industry should be defined (Morrison and Thomas, 1999: 148).

Broadly speaking, however, many hospitality studies tend to use a combination of both quantitative and qualitative criteria when arriving at a suitable definition of a small hospitality firm (See Table 2.1). Despite this, it must be recognized that whatever definition is adopted, the most significant observation is that the most commonly found hospitality enterprise is small (Morrison & Thomas, 1999).

In an effort to overcome the definitional chaos and in order to facilitate comparisons between sectors and the member states, the European Commission adopted a communication setting out a single definition of small and medium-sized enterprises (SMEs) in 1996. Under this definition, the SME sector itself is disaggregated into three differing categories (See Table 2.2).

**Table 3.1: Criteria used by researchers to characterise small hospitality firms**

<i>Authors &amp; Year</i>	<i>Research Topic</i>	<i>Definition</i>
Beeton & Graetz (2001)	Training	Employing less than 20 staff; scattered over a wide range of urban and rural environments
Sundgaard et al (1998)	Hotel Grading	Fewer than 25 bedrooms
Lee Ross & Ingold (1994)	Productivity	Having no more than 20 bedrooms, where the operators are also the owners
Lanier et al (2000)	Industry Structure	Ranging in size from 20 to 50 bedrooms, these properties are typically independent.
Hales et al (1996)	Training	Fewer than 50 employees
Morrison (1996)	Marketing	Directly managed by an individual or group in a personalised manner. Perceived to be small in terms of capacity, facilities and number of employees
Edgar & Watson (1996)	Management/HRM	Privately owned with fewer than 50 rooms
Bransgrove & King (1996)	Marketing	Small market share. Managed by the owners in a personalised manner. Not part of a group.

**Table 3.2: European Commission's Definitions of SMEs**

<b><u>Number of employees</u></b>	<b><u>Defined as</u></b>
0-9	Very small (micro) firms
10-49	Small firms
50-249	Medium firms
250+	Large firms

*Source: Commission of the European Communities recommendation of 3 April 1996*

Generally speaking, definitions based on numbers employed remain the best-known and extensively used ways of classifying firm size (Barrow, 1993; Julien, 1998; Curran & Blackburn, 2001), with the Commission's definition being the most widely adopted among the research community. All things considered, however, some researchers maintain that to focus on the problem of definition is a misdirection of effort because there are a great many other

aspects of small businesses that require in-depth research (Burrows & Curran, 1989; Curran & Blackburn, 2001; Boer et al, 1997).

### **3.3 Small Firms as a Distinct Analytical Category**

A traditional assumption among researchers has been that small businesses are much like big businesses, with the exception that small companies have lower sales, smaller assets and fewer employees (Welsh and White, 1981). Over the years, however, this old mode of thinking has gradually begun to give way to the growing recognition that small firms have a number of key characteristics that distinguish them from large organisations. In fact, many authors now support the views of Welsh and White (1981) and Casson (1982) that a small firm is not merely a *scaled-down* version of a large firm or a *little big business* (Wynarczyk et al, 1993; Storey, 1994; Westhead and Storey, 1996; Burns, 1996; Ghobadian and Gallear, 1996). Indeed, as far back as 1959, Penrose (1959: 19) observed that:

...the differences in the administrative structure of the very small and the very large firms are so great that in many ways it is hard to see that the two species are of the same genus...

Furthermore, Wynarczyk et al (1993) argue that the small firm is a unique problem type, stating that it is a fundamental misconception to assume that the problems confronting the small enterprise and its behavioural response to them are the same as those facing larger concerns. In the context of the hotel industry, Quinn et al (1992) point out that small hotels are not simply smaller versions of large corporations or organisations, but possess distinct managerial/owner cultures of their own. Accordingly, the fundamental question as to how small firms actually differ from their larger counterparts must now be addressed. A review of the literature indicates that issues surrounding uncertainty, management style, the influence of the owner-manager, evolution and change, innovation and finance are notable differentiating factors. A detailed discussion of all of these factors is outside the scope of the current project. Three distinguishing features, however, are of particular interest and relevance to the study in question. A brief discussion of these key features now follows.

### ***3.3.1 The Uncertainty Principle***

Drawing largely upon the work of Casson (1982), leading theorists such as Storey (1994), Westhead and Storey (1996) and Wynarczyk et al (1993) contend that the central characteristic distinguishing small and large firms (apart from size itself) is that of uncertainty. Wynarczyk et al (1993) present uncertainty as a multi-dimensional concept. The first dimension is the uncertainty associated with the small firm's lack of power in the market place, which results in these firms invariably being price-takers that are more likely to face significant competition (Burns, 1996; Welsh and White, 1981). Similarly, another source of uncertainty for many small firms is their limited product and customer base. A considerable number of studies have shown that small firms tend to be dependent on a handful of key customers, and more often, on one single customer for all, if not most, of their business (Burns, 1996; Westhead and Storey, 1996; Storey, 1994; Wynarczyk et al, 1993; Holliday, 1995; Kinnie et al, 1999). This situation potentially places the small organisation at the mercy of its customers, subjecting the business to an ongoing state of vulnerability (Hill and Stewart, 2000; Burns, 1996). Moreover, the effect on the firm of losing the customer will also be disproportionately large as a result (Burns, 1996).

The notion of uncertainty has also been extensively considered by Westhead and Storey (1996), who proceed to identify and differentiate between what they term internal and external uncertainty; the latter cited as a particular feature of smaller enterprises. Westhead and Storey's (1996) concept of external uncertainty mirrors the two dimensions above as outlined by Wynarczyk et al (1993). In addition, Westhead and Storey (1996) remark that in the face of this external uncertainty, many small firms invariably respond by adopting a short-term horizon, thereby favouring projects offering a quick return on investment (see also Storey, 1994; Loan-Clarke et al, 1999). Umbreit (1986) and Mullins (1998) also note that the hotel industry in particular has a reputation for short-term cost consciousness.

### 3.3.2 *Management Process & Style*

A number of authors (Jennings and Beaver, 1997; Ram, 2000b, McCarthy and Leavy, 2000) remark that the process of management in the small firm is unique, bearing little or no resemblance to that of the large business. In larger organisations, management and strategy formulation can be seen as a predictive process concerned with the generation of long-term objectives, the formulation of policies designed to meet such objectives and the feedback of information to ascertain whether or not these predetermined goals have been successfully achieved (Beaver et al, 1998). This classical perspective thus views strategy making as a formal and rational decision-making process (O'Brien, 1998) aimed at securing a long-term advantage (Whittington, 1993). However, because strategic management as a discipline has developed and evolved from the perspective of large businesses, one must therefore question the applicability and usefulness of this *classical* or *design school* approach to the smaller organisation (Lee, 1995; Hannon and Atherton, 1998; O'Gorman, 2000, Marlow, 2000). Indeed, such procedural formality is rarely found in small businesses, with authors such as MacMahon and Murphy (1999), Lee (1995) and Hannon and Atherton (1998) maintaining that the approach is of little relevance to them. In addition, a recent study by Keogh and Stewart (2001) found that the pressure to yield to the day-to-day operational demands precluded the development of formalised, long-term plans.

In contrast to the rational planning model of large businesses stands the mainly adaptive and emergent management process in the small firm. Managers in small firms are more likely to be concerned with the manipulation of a limited and/or restricted resource base in order to gain the maximum immediate and short-term competitive advantage (Jennings and Beaver, 1997; O'Gorman, 2000). Management strives to adapt as quickly as possible to changes in the external environment and to devise suitable tactics for lessening the consequences of any changes that occur (Hannon and Atherton, 1998; Beaver et al, 1998; Bacon et al, 1996). There is much empirical evidence (e.g. Marlow, 2000; Leavy and McCarthy, 2000) to support Curran's (1996, cited Ram, 2000b: 76) view that strategy in the small firm:

...is much less of a conscious process based on detailed prescriptive models or sophisticated techniques, and more of an instinctive, flexible approach to survival consistent with the owner's broad personal and business goals.

Thus, this *emergent* or *processual-based* approach may be more appropriate for understanding the strategic management task in smaller businesses (Lee, 1995; Marlow, 2000; Ritchie, 1993).

### **3.3.3 *The Influence of the Owner-Manager***

A considerable number of studies have identified the influence of the owner-manager as both a defining and distinctive characteristic of small businesses (Matlay, 1999, Storey, 1994, Holliday, 1995; Hankinson, 2000; Fournier and Lightfoot, 1997). Quite often in small firms, ownership and management are typically concentrated in the hands of very few people, quite often a single person (Glancey, 1998; Carson, 1985; Wynarczyk et al, 1993). Thus, central and absolute power in the firm rests with this one individual. As a result, the personality of the owner-manager (or indeed the most senior firm manager) and his/her views and values 'governs completely the culture of the firm and thus enhances or inhibits its operation' (Holliday, 1995: 9). Glancey (1998) and Culkin and Smith (2000) remark that this represents a fundamental contrast to the large organisation in which there is a separation of ownership and control, with layers of professional managers charged with the responsibility for decision-making. Marlow (2000) also comments that small firm owners tend to see their businesses as a reflection of themselves and consequently they are unlikely to empower staff and to delegate the decision-making process (see also Wyer and Mason, 1999; Hankinson, 2000; Holliday, 1995; Culkin and Smith, 2000; Anderson and Boocock, 2002).

The merging of ownership and management typical of small firms tends to produce distinctive patterns of managerial and organisational behaviour (Fournier and Lightfoot, 1997). By way of illustration, Goss and Jones (1992) remark that the various managerial functions are unlikely to be clearly differentiated from each other. In this way, decisions:

...are likely to be intertwined and embedded in decisions concerning the holistic running of the enterprise in the context of doing business and the overall priorities of the business (Grant et al, 2001: 66)

O'Connor (2000:7) notes that small enterprise owners get very little time to look at the horizon at where their business is going, primarily because they are 'personally devoted to the many operational tasks and activities of their business'. This hands on, operational perspective typifies small firm management in the hotel industry (Guerrier and Lockwood, 1989a, b; Hoque, 2000) and is a defining characteristic of small businesses in general (O'Gorman, 2000). Thus, the task of internal monitoring is comparatively straightforward, typically because of the closeness of the owner/manager to the operating personnel and activities being undertaken (Jennings and Beaver, 1997; Beaver et al, 1998; Hill and Stewart, 2000; Westhead and Storey, 1996; Storey, 1994; Hankinson, 2000). The small firm owner is therefore ideally placed to communicate information and decisions directly to all personnel, to receive immediate feedback and to closely monitor progress in real time (Hill and Stewart, 2000). As Goss (1989: 100) notes:

There is a world of difference between a firm where the owner-manager works at a trade alongside a handful of employees and one where he/she holds an executive position at the head of a developed managerial hierarchy.

Finally, Beaver et al (1998) and Patton et al (2000) argue that the management process in the small firm cannot be separated from the personality set and experience of the owner manager. Similarly, Culkin and Smith (2000) recognise that because the small firm is often personality driven, understanding the context, attitudes and behaviour of the small business owner is equally as important as understanding their business. Overall, the issue is best summarised by Ram et al (1997: 2) who observe that:

Any attempt to treat the small business as if it is isolated from the owner's wider social context is unlikely to result in more than a superficial level of understanding of the firm.



### 3.4 Human Resource Development in Small Firms

Existing evidence appears to suggest that training interventions in small firms are considerably less sophisticated than those in larger organisations (Sadler-Smith et al, 1999). Rigg and Trehan (2002: 390) remark that ‘the prevailing wisdom on HRD in small firms is that not much is done’, while Vickerstaff and Parker (1995: 60) report:

Case-study-based work has revealed a high degree of unplanned, reactive and informal training activity in small firms, where there is typically unlikely to be a dedicated personnel manager or training officer.

There is much support to be found for such contentions throughout the literature, for example, Vickerstaff (1992a, 1992b), Johnson and Gubbins (1992), Lane (1994), Westhead and Storey (1996), Hill and Stewart (2000), Matlay (2002a, 2000b). Hence, it is often assumed that small firm HRD is inferior and unorganised, if not non-existent (Rigg and Trehan, 2002; Hill, 2002).

Joyce et al (1995) note that the belief that small firms are poor or reluctant trainers has much face validity. From existing research it would appear that there are a number of critical issues which act as barriers to small businesses engaging in HRD. Organisational constraints such as a lack of time and the financial cost of training figure prominently. A wealth of commentators (Vickerstaff and Parker, 1995; Wong et al, 1997; Vickerstaff, 1992a, 1992b; Abbott, 1994; Marshall et al, 1995) point to the fact that it is more difficult for those in small businesses to find the time to train. Marlow (1998) explains that on account of the small size of both the management team and labour force, each individual contribution is therefore critical and thus it may not be feasible to initiate training which takes individuals *off the job*. Westhead and Storey (1996) state that as small firms are more financially constrained, the *real* price of training tends to be higher than that for larger firms: the opportunity cost of absent staff is greater when fewer staff are available and the actual fixed costs are spread over fewer employees (see also Westhead and Storey, 1997; Loan-Clarke et al, 1999). Such organisational constraints on small firm training provision are compounded by the fact that managers in these businesses are

said to be sceptical of the benefits of training, regarding it as an operating expense, rather than an investment (Marshall et al, 1995; Hankinson, 1994). Stanworth et al (1992) contend that despite a genuine concern for staff development expressed by small firm owner-managers, much of the espoused importance attributed to HRD represents little more than a motherhood statement. On the contrary, as Ritchie (1993:20) reports, 'a picture of unpredictable management practices and indifference towards human resource development commonly prevails'.

Abbott (1994) remarks that even if a small firm owner/manager is enthusiastic about training, a further problem is that of choosing an appropriate course. Westhead and Storey (1996) and Wong et al (1997) suggest that small firms may be less well informed about the availability of training initiatives than their larger counterparts. This is because there is less financial incentive on the part of training providers to contact small firms (Storey and Westhead, 1997):

Tailoring training packages to the specific needs of individual small firms adds substantially to unit costs. In addition, it is more difficult to provide a course where the trainees come from a variety of different small firms (Westhead and Storey, 1997: vi).

Moreover, as Vickerstaff (1992b: 23) notes, 'it can prove very difficult to match the training needs of small firms with the courses on offer'. Therefore, a frequent criticism is that external training is too general and not specific enough to meet the needs of small firm owner-managers (Abbott, 1994). A recent study of the training needs of small tourism and hospitality businesses in Australia conducted by Beeton and Graetz (2001) also found that the inconvenient location of external training courses was a significant barrier inhibiting training provision.

Another compelling factor dissuading many small firms from engaging in training is the belief that it is more feasible to recruit suitably trained staff from the labour market (Marlow, 1998; Abbott, 1994). Storey (1994) comments upon the strategy of many small firms of poaching trained labour and then moulding it to their requirements, while Atkinson and Meager (1994: 85) remark:

Buying in ready-trained labour (and then acclimatising it as necessary) is often the only option available to them. As a result, training was not often looked on by these businesses as the principal vehicle for securing skills; its role was constrained to a supportive and facilitating one.

A corollary of this is that there is a widespread fear among small enterprises that investing in the training and development of the workforce is a highly risky endeavour (Hankinson, 1994). Consequently, as Hill and Stewart (2000: 109) observe, there tends to be an ‘emphasis on the justification not to train rather than supporting a rationale for training’.

A central message emanating from the majority of studies is that the HRD practices of small businesses are highly idiosyncratic (Brand and Bax, 2002; Bacon et al, 1998; Dundon et al, 1999). By way of illustration, Julien (1998: 332) concludes that these practices are ‘extremely diverse, and thus resist generalisation’, while Hill (2001: 43) comments that small firm HRD is ‘individualistic’ and ‘shaped through a combination of naturally occurring ‘interventions’’. One of the most important findings that emerged from a 1994 study by Lane (1994: viii) was that ‘it is simply not practicable to treat the small business sector as if it is homogenous’. Continuing he adds that ‘a key theme’ of the work ‘was the diversity of practice and a sense of ‘uniqueness’’ (ibid: viii).

### **3.5 The Influence of Distinct Small Firm Characteristics on HRD in Small Organisations**

The key features of small firms, as discussed in Section 3.4, have considerable implications for the management of HRD and learning in such organisations (Anderson and Boocock, 2002). Important insights can be gained from Kerr and McDougall’s (1999) study of the nature of HRD activity in small businesses. They maintain that there are particular features of small firms that must be considered in any discussion about HRD in this sector: namely, the influence of the owner-manager, the ad-hoc and reactive nature of HRD and the prevalence of a short-term perspective. In this section the author builds on the work of Kerr and McDougall (1999) and, importantly, also incorporates a hospitality perspective.

### ***3.5.1 The Influence of Key Decision Makers***

The influence of key decision makers, usually the owner-manager or the most senior managerial person within the organisation, is perhaps the most critical issue impacting upon small firm HRD (Anderson and Boocock, 2002; Dale and Bell, 1999). This pervasive influence is manifested in a number of ways. Primarily, authors such as Patton et al (2000), Watson et al (1998) and Matlay (1996) maintain that the characteristics of the owner-manager and their perception of the importance of HRD are central to the initial decision to train. As Walton (1999: 338) remarks:

How the entrepreneur perceives HRD issues is a central platform in the establishment or otherwise of a supportive learning climate.

Smith and Whittaker (1998: 180) contend that ‘a positive approach to training in all forms is likely to be led by training champions in senior positions’. These champions are likely to be those individuals who have experienced training first hand and felt the benefits. Despite this, Smith et al (1999) argue that smaller organisations are less likely to have such a champion naturally in place and are also unlikely to have the capacity to employ a dedicated human resource or training professional to inculcate a learning culture:

At best, they will have a junior member of staff who ‘does training’ among many other things and will deal with statutory training requirements such as health and safety legislation (ibid: 559).

Indeed, much research indicates that in the vast majority of small firms, the proprietor frequently takes sole responsibility for HRM and HRD (MacMahon and Murphy, 1999; Johnson and Gubbins, 1992; Hornsby and Kuratko, 1990; Matlay, 1998, Matlay, 2002a). A corollary of this is that few small firms are said to employ either a dedicated HR manager or a training specialist (Smith and Whittaker, 1998; Vickerstaff and Parker, 1995; Matlay, 2002b; Walton, 1999). However, recent evidence suggests that some small organisations are endeavouring to encourage organisation wide ownership of the HRD function. By way of illustration, in a study of strategic HRM activity in small businesses, Marlow (2000) established that the responsibility for managing the day-to-day task of employee relations, including HRD, was shared amongst the entire management team. Despite these positive findings, however, another notable

facet of HRD in small firms is that those responsible for HRD are rarely specifically trained for that role (Vickerstaff, 1992b). This situation also appears to be the case in the hotel industry, with Goldsmith et al (1997) and Worsfold and Jameson (1991) observing that hospitality managers with responsibility for HRD often have no specialised training for that purpose. Harvey-Jones (1994: 117) suggests that this may be a reflection of the relative unimportance attached to training by industry managers:

Our attitude to training is all too often exemplified in the selection of those we employ as training managers.

Tushman and Nadler (1997) state that managerial behaviour is a powerful means of signalling what values, attitudes and behaviours are both appropriate and important to an organisation. Thus, whether or not they are conscious of the signals they are sending, the behaviour of managers is always being observed and defines for others what is valued and important (Tracey and Cardenas, 1996). Consequently, within the hotel industry, as in any other industry, it is vital for managers to behave in a manner that is supportive of the training and development of staff. However, authors such as Guerrier and Lockwood (1989a,b) and Tracey and Hinkin (1994) report that the prevailing management style in the hotel industry is essentially autocratic, involving a tough and sometimes exploitative approach to managing people. Mullins (1998) contends that managerial behaviour may be an underlying cause of staffing problems, while Teare and Boer (1991) remark that the retention of an autocratic management style may exacerbate the problems of recruitment and staff turnover experienced by the industry. Analogous views are found within the small business literature. For example, a study by MacMahon and Murphy (1999) found that labour market problems were seen as externally imposed; there was no acknowledgement or acceptance that recruitment and retention problems may be due in some part to managerial behaviour. The authors concluded that managerial behaviour may often be the root cause for many of the HR problems experienced by small enterprises.

The notion of a *policy gap*, the gap between an organisation's stated HR policy intentions and how these are implemented at an operational level, is a recurring theme in the hospitality literature (Lucas, 1995):

...the hotel and catering industry has succeeded in talking about training and the need for training whilst pursuing, at many levels, development and employment policies designed to eliminate the need for motivated and accomplished employees (Wood, 1992: 161-162).

A comparable situation also appears to be the case among the small business community. By way of illustration, Stanworth et al (1992) contend that a genuine concern for staff development expressed by small firm owners and managers represents little more than a motherhood statement. A study by Lane (1994) found evidence of discrepancies between the importance being placed on HRM practices in small businesses and the extent to which they had been implemented, while Loan-Clarke et al (1999) also report instances of inconsistency between policy and practice concerning training and development in small firms. Moreover, Marlow (2000) reports a positive appraisal of the value of HRD among small organisations that is frequently accompanied by a reluctance to engage in sustained investment in the process.

Storey (1994) and Hill and Stewart (2000) state that not only does the attitude and motivation of key decision makers exert a considerable influence on the likelihood of small firm HRD, it also affects the nature of the interventions that take place. This view is echoed by Anderson and Boocock (2002), who maintain that the development of small firm managers as controllers of labour determines the environment for the training of other employees. Indeed, there is much evidence to suggest that the nature of HRD for those employed in a small business usually follows the same pattern as that experienced by its managers (Smith and Whittaker, 1998; O'Dwyer and Ryan, 2000). By way of illustration, Hendry et al (1995) and Lane (1994) assert that professionally trained managers tend to value more formal and systematic HRD and actively encourage their employees to engage in further development. On the other hand, those who have learnt through an apprenticeship system or the like, regard this as the optimum approach. Evidence from the hospitality industry also provides support for this contention. In specific reference to the Irish hotel

industry, CERT (1998a) state that the advent of the professionally trained manager has contributed to the increase in formal training in the industry. However, the majority of studies report that small hospitality business owners and managers in the main have a limited, or lack of, formal business education (Hoque, 2000; Keating and McMahon, 2000; Boella, 1992). A recent study by Beeton and Graetz (2001) found a preference for internal, on-the-job training among small hotel managers. This preference was attributed to the educational background of the managers, many of whom had learnt on the job and were sceptical of external training. Thus, as Guerrier and Lockwood (1989a) remark, the way in which hotel managers are trained and developed tends to reinforce an informal, on-the-job and operational perspective. Consequently, as noted by Leicester (1989) and Keep (1989), the low level of managerial skills in small firms may in itself be a fundamental cause of the low levels of training provided for other employees. This stance is reaffirmed by Marlow (1998: 43):

For small firm owners who lack professional skills themselves, identifying the training needs of others...is a difficult task.

### ***3.5.2 The Ad-Hoc and Reactive Nature of HRD***

Kerr and McDougall (1999) remark that HRD in small firms tends to occur in an ad-hoc manner, often in the course of normal, daily routines. Empirical support for this contention has grown considerably throughout the last decade. By way of illustration, in their study of small and medium-sized manufacturing companies in the West Midlands in the UK, Ross et al (1993: 145) comment:

We found, for example, some companies do not regard on-the-job training as 'proper' training but instead regard it as part of everyday life.

More recently, Kitching and Blackburn (2002) found that not only were training and development activities an integral part of small firm everyday working practices, they were also frequently indistinguishable from them. Similarly, Hill (2001: 10) observes:

Thinking of HRD as an organic component embedded within an SMEs infrastructure and normal routines may be a more useful conceptualisation rather than trying to locate HRD within a formal (and visible) framework of traditional HRD activities.

Continuing, she adds that:

HRD in SMEs is, perhaps, just less transparent, with developmental activities obscured within the informality of a small organisations' infrastructures, routines and natural learning processes (ibid: 42).

A direct outcome of this particular feature is that HRD in small firms is not actively planned and frequently occurs in response to a specific skills gap (Vickerstaff, 1992a). Hill and Stewart (2000) reiterate this point and also remark that the HRD activity of small organisations is almost exclusively directed at the solution of immediate work-related problems rather than the long-term development of people. As Smith et al (2002: 65-66) note:

The development of skills is often built around problem-solving. Training may, therefore, be reactive to pressing issues, such as the installation of new equipment, rather than an ongoing commitment to development.

A similar picture emerges in relation to the hotel industry. For instance, Baum et al (1997) remark that HRD is frequently addressed as a reactive concern and rarely in a proactive and planned manner. Buick and Muthu (1997) also comment that much of the industry views training as a single event and not as an ongoing process. Indeed, due to the high risk of failure common to small firms, they have a tendency towards fire-fighting in relation to their management in general (Merkx, 1995), which also extends to the management of human resources (Bacon et al, 1998). A study of the training methods of hospitality businesses conducted by Harris and Cannon (1995: 80) found that 'all too often, training is done 'by the seat of the pants' fashion in the reactive to a problem, a demand from superiors, or a trend in the industry'.

### ***3.5.3 Short-Term Perspective***

Another characteristic of HRD in small firms is the tendency for many of these businesses to adopt a short-term perspective (Kerr and McDougall, 1999; Smith and Whittaker, 1998). Such a stance is generally attributed to the greater external uncertainty experienced by small firms, which is characterised by a lack of power and influence in the market, a limited product range and a reliance on a handful of key customers. This invariably results in small firms adopting a short-term horizon, thereby favouring projects offering rapid returns. As Ritchie (1993: 120) observes:



As so often with smaller firms, bottom-line survival, or just making do, does not leave very much scope for anything that does not give some quick material payback.

Walton (1999) suggests that a reliance on a small customer base makes training quite specific and geared towards meeting these particular customers' needs. Similarly, Down (1999) reports that small firm owners tend to train in areas which are specifically related to their business needs at the time. In addition, Storey (1994) notes that on account of the high risk of failure, the small firm employer is somewhat reluctant to make a long-term investment in HRD. This view is echoed by Marshall et al (1995), who highlight that the impact of HRD is difficult to identify, with the benefits accruing only in the long-term. Thus, as concluded by Hill (2002: 143):

To be perceived as a credible and worthwhile endeavour, HRD in an SME is best located conceptually and practically in what is currently critical to the organisation. Above all, it must achieve an immediate and highly visible payback to the business.

Within the hotel industry the focus also tends to be on short-term profitability at the expense of long-term staff development (Mullins, 1998; Teare and Boer, 1991; Peacock, 1995; Maher and Stafford, 2000). An overriding concern for and pre-occupation with financial indicators of performance is widely regarded to be characteristic of small firms in general. As Hendry et al (1995: 154) note, 'making money and "making ends meet"' is often regarded as the first priority among small business owners.

#### **3.5.4 *Multiskilling***

A distinctive feature of smaller enterprises is that they require functionally flexible staff amongst most occupations (Blackburn and Hankinson, 1989; Abbott, 1994). This view has been substantially supported by a number of authors. By way of illustration, May (1997) reports that employees typically perform multiple roles with unclear boundaries regarding their respective job role responsibilities, while Storey (1994) comments that small firms require greater flexibility from their workforce as opposed to deeper specific skills. Moreover, Atkinson and Meager (1994) state that because a wide variety of tasks are often spread between relatively few individuals, the ability to multitask is regarded as a highly prized characteristic. Holliday (1995)

contends that individuals undertaking managerial tasks in small firms need to be less specialised and more general and flexible than their counterparts in larger firms. The need for the owner-manager to be multiskilled has been highlighted by Gaedeke and Tootelian (1980) and more recently, by Matlay (2000). They maintain that the owner-manager of a small firm needs to be his own expert in many areas, because, unlike in a large company, he is usually not in a position to employ experts. Culkin and Smith (2000) take this one step further by arguing that there is frequently no place for specialists in the small firm. Lee Ross and Ingold (1994) also notes that hotel owner managers are frequently multi-skilled and encourage and provide opportunities for their staff to be similarly qualified. Multiskilling is widely used within the Irish hotel industry, with a high percentage of establishments said to be actively practising the technique (Maher and Stafford, 2000).

It is possible to identify a further two key features of small firms that have particular relevance for HRD within the hotel industry: namely, the influence of the family-firm and the prevalence of atypical employment. An in-depth examination of these features lies outside the scope of the current project. However, the issue of HRD in the family-firm has been discussed extensively by authors such as Morrow et al (2001) Reid and Adams (2001), Loan-Clarke et al (1999) and Matlay (2002a), while the influence of atypical employment has been considered by Atkinson (1984), Guerrier and Lockwood (1989b), Hoque (2000), Price (1994), Hendry et al (1995) and Rix et al (1999).

### **3.6 HRD in Small Firms: Exploring the Importance of Informality & Tacit Knowledge**

An important addition to any discussion on the nature of HRD within small firms is an examination of how the concept itself has been operationalised within the extant literature. There is a growing consensus amongst the academic community that much research to date has been narrow in focus and has failed to capture the true nature of HRD in small firms (Kitching and Blackburn, 2002; Curran et al, 1997). As Rigg and Trehan (2002: 390) remark:

Whilst theorizing of HRD has recently taken great strides, published empirical research into HRD in general, and specifically about SMEs, remains dominated by

narrow definitions of HRD, limited theorizing and methods that have been confined to measurement of the easily measurable.

In the vast majority of studies to date the overriding emphasis has rested solely with formal HRD processes and activities, with the working definitions of HRD adopted specifically excluding informal guidance and learning by experience (Johnson and Gubbins, 1992). Within the literature, as Garavan et al (1999a: 170) note, 'the dominant perspective is one of formalised, systems-driven HRD provision rather than organic informal HRD'. Yet much research has shown that small firms tend to rely heavily on informal types of training and learning (Kitching and Blackburn, 2002; Harrison, 2000; Hendry et al, 1995; Abbott, 1994). Johnson and Gubbins (1992: 29) note that 'by their very nature, many SMEs operate in an informal, flexible and unstructured way, and it might be expected that training within SMEs will fit into this pattern'. Informal HRD is notoriously difficult to quantify and, as a consequence, is not amenable to being picked up by statistics. As a result, much small firm HRD often goes unnoticed with the ensuing outcome being an under-estimation of HRD activity (Smith et al, 1999; Smith et al, 2002). Thus, a focus on formal, measurable outcomes cannot hope to capture and incorporate the complexity of small firm management and development processes (Rigg and Trehan, 2002). The implications of this narrow focus are highlighted by Curran et al (1997: 91), who argue that 'the concern with formal training...has led to the blanket conclusion that small firms don't train'. Continuing, they add that when wider, more embracing definitions of HRD are adopted, the assessment of HRD activity in small firms presents a very different picture, in that levels of employee training are reported as much higher than implied in the more frequently quoted research. To this end, researchers such as Abbott, (1994), Lane (1994), Curran et al (1997), Johnson and Gubbins (1992) and Kitching and Blackburn (2002) have adopted broader definitions in an effort to capture all aspects of HRD. The underestimation of HRD activity in small firms is further compounded by the fact that many of the respondents themselves in these studies tend not to consider informal, in-house training to be *proper* training (Rowden, 1995; Dale and Bell, 1999; Vickerstaff, 1992b, Ross, 1993; Kitching and Blackburn, 2002). Therefore, as Johnson and Gubbins (1992)

remark, there is considerable doubt as to whether the definitions and measures of training adopted by some researchers provide a clear and accurate portrayal of the HRD activities of small firms.

The preceding discussion would appear to suggest that a formal approach to HRD, characterised by such features as written plans, detailed budgets, the ongoing objective evaluation of progress and external, off-the-job delivery methods, is by no means the most appropriate course of action for small firms. Indeed, a formal, structured and planned process is clearly out of keeping with the relatively informal, flexible approach that a plethora of researchers have found to be the preferred way of operating in small businesses (Matlay, 1999b; Jameson, 2000; Walton, 1999; Abbott, 1994; Lane, 1994; Storey, 1994; Storey and Westhead, 1997; Gibb, 1997; Hill, 2002). A recent study by Ram (2000a) concluded that the implementation of a structured approach to training and development in the dynamic and sometimes frenzied setting of a small firm workplace can hinder responses to day-to-day matters that are often seen as more urgent. However, Hill (2001) offers an interesting perspective in this regard by suggesting that perhaps informality and flexibility are not really chosen values of the SME. She proposes that small firms may in fact be obliged to operate in this manner as enforced response to an uncertain external business environment.

Despite the prevalence of informality in small businesses, there appears to be one particular aspect of small firm HRD in which the use of formal, external means is prevalent; and that is in the case of managers. A number of researchers report that the upgrading of managerial skills is best achieved through external courses and study (Beeton and Graetz, 2001; Marlow, 2000; Abbott, 1994). Atkinson and Meager (1994) remark that small firm managers are key disseminators of knowledge, skills and abilities to other employees through organic HRD, i.e. through informal, on-the-job methods. In a recent study, Marlow (2000) also found that subsequent to the receipt of formal training, managers returned and shared their newly acquired knowledge with the rest of the workforce. Similarly, Rigg and Trehan (2002) found that a significant source of HRD in small firms is the engagement of one or two

influential individuals in formal learning that gets fed back into the organisation via more informal means. Consequently, the processes of learning and development extend well beyond the individual who completed a course, affecting other staff both individually and collectively in their working practices. In this way, small firm managers may be considered as the catalysts for learning in their respective organisations.

Dalley and Hamilton (2000: 51) introduce the idea of the 'context' of the small business, which they define as:

'...an intrinsic characteristic that incorporates past experiences and constitutes the mental model against which interpretation and reflection take place. The context thus defines the system through which all information is processed, interpreted and given meaning, i.e. becomes knowledge'.

The context of the business is therefore critical to what will and will not be learnt. Continuing, Dalley and Hamilton (2000) state that if there is conflict between new information and the existing context, this information will be discarded and fail to become knowledge. Hence, it would not be unreasonable to suggest that this may be the fundamental reason behind the relative absence of formal HRD interventions in small businesses. Dalley and Hamilton (2000) also contend that for knowledge transfer to occur there needs to be a high degree of compatibility between the information provider and the small business recipient. New knowledge will then be incorporated into the context and will subsequently be modified. It is at this point that learning is said to have occurred. Therefore, returning to the notion of small firm managers as catalysts for learning: they are in the optimum position to make their externally acquired knowledge more relevant and specific to their respective firms and hence more informal HRD interventions may be considered to be congruent with the small business context and are thus more prevalent. In line with this mode of thinking, authors such as Matlay (2002b), Dale and Bell (1999) and Anderson and Boocock (2002) report that although formal HRD is used infrequently within small firms, where it is implemented, it is used typically in conjunction with other informal means to meet operational priorities. In other words, informal HRD complements, supports and is supported by formal HRD (See Figure 3.1).

### 3.6.1 *Small Firms: The Prevalence of Tacit Knowledge & Skills*

Hendry et al (1995:158) observe that 'learning from others on the job is the hallmark of the small firm'. Thus, formal systems appear limited and employees tend to learn from their relationships with co-workers, team-mates and superiors. Westhead and Storey (1997) remark that HRD provision in small firms is characterised by an informal imparting or conveying of work skills or knowledge from one colleague to another. This tends to take place in the normal course of daily events without a high degree of design or structure (Marsick and Watkins, 1990). As a result, the key concepts of *tacit knowledge* and *tacit skills*, terms first coined by Polanyi (1966), are said to be vital to understanding and analysing HRD in small firms (Hill and Stewart, 2000; Hill, 2002; Abbott, 1994; Anderson and Boocock, 2002). Tacit knowledge entails information that may be difficult to verbally express, write down and hence formalise (Nonaka, 1991). It is unconsciously acquired from the experiences one has while immersed in a particular environment (Lubit, 2001). Walton (1999) states that tacit skills pertain to the practical knowledge and insights developed through daily experience. Harrison (2000: 228) remarks that these skills are largely instinctive and typified by the manner in which someone develops their own unique *knack* of tackling a job successfully:

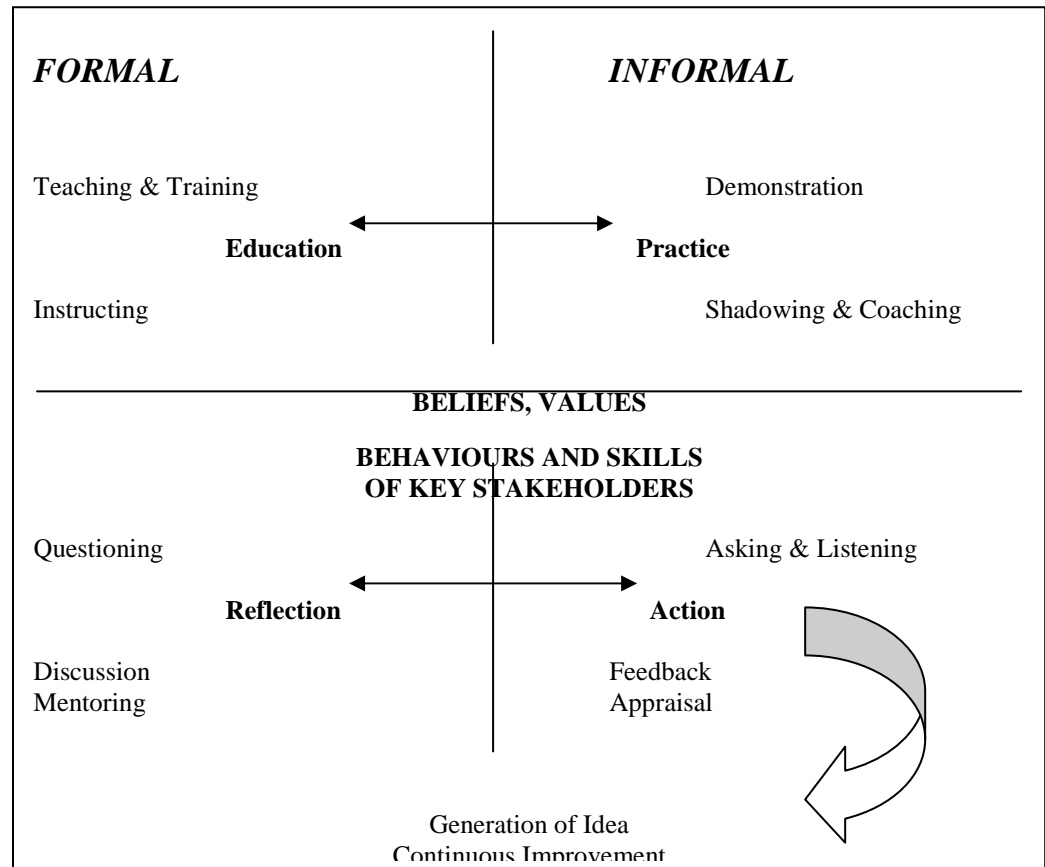
The worker may not be able to explain quite what the key is to this consistent success, but as others watch, copy and listen to him or her as he or she works, they too can begin to achieve similar outcomes.

Thus, by their very nature, tacit skills can only be developed and diffused through informal, on-the-job interventions that involve direct interaction, face-to-face contact and hands-on experience (Anderson and Boocock, 2002; Haldin-Herrgard, 2000; Augier and Vendolø, 1999; Smith, 2001). By implication, this also suggests that traditional formal means of training may be inherently unsuitable.

The importance of tacit knowledge for small service sector firms is emphasised by Abbott (1994). He maintains that the particular skills needed for dealing with difficult customers, for example, can only be learnt through the development of tacit knowledge:

...tacit skills encompass the ability to deal with unexpected or unusual situations for which there is no prior frame of reference (ibid: 72).

**Figure 3.1. Formal and Informal Learning**



Source: Dale and Bell (1999: 31)

### **3.6.2 On-The-Job Training in the Small Firm**

Curran et al (1997) argue that the importance of informal in-house training for small firms is difficult to over-state, primarily because for many, it is their only form of training. Johnson and Gubbins (1992) state that *learning by doing* is seen as an appropriate means of introducing new recruits to the job, while van der Klink and Streumer (2002) highlight the incentive of a favourable relationship between training costs and benefits. Curran et al (1997: 97) also highlight a number of other advantages:

1. Informal training can be more easily integrated into the firm's everyday activities, involving the minimum loss of output or disruption of work teams.
2. It can be undertaken in modules over short time periods and can be synchronised closely with the firm's production cycle.
3. It can be more easily focused closely on the worker's specific individual and work role needs.

Despite the aforementioned benefits, it must also be acknowledged that informal in-house training does have its disadvantages and may not always be the best course of action to take. Fundamentally, there is the danger that without supervision, improper work habits may be passed on from existing employees to new recruits (Maher and Stafford, 2000). Dale and Bell (1999) also remark that it may be too narrowly based so that employee only learns part of a task or superficial skills which may not be transferable. In addition, the choice of trainer is a key determinant in the success of the training effort. Trainers must be competent and interested in their work (Maher & Stafford, 2000; Forrest, 1990). As observed in Section 3.5.1, too often within the hotel industry, those responsible for training are not specifically trained for their roles as trainers.

Much of the literature is characterised by what Abbott (1994: 71) refers to as 'pejorative overtones' in relation to informal, on-the-job training activity in small firms. This infers that this type of training is inferior to the more formal, structured, off-the-job approach adopted by larger firms. Walton (1999) comments that the terminology used in much of the HRD literature reinforces negative perceptions of informal approaches (see for example Jones & Goss, 1991). However, Westhead and Storey (1997) argue that there is no conclusive evidence to suggest that the quality of training provided by large firms is inherently better or worse than that provided by smaller firms. Harrison (2000: 234) remarks that the 'failure to document either needs or plans can give the impression either that no training is being done or that any that is taking place must be unplanned and therefore invalid....such conclusions can be easily mistaken'. Importantly, Kitching and Blackburn (2002: 41) also stress that the



indicators of a formal training strategy, such as a training budget or the presence of a dedicated training manager, does not necessarily correspond with a strategic approach:

...the mere fact of a named person having responsibility for training does not mean that employers attach a high value to training or that they engage in particular training practices...Moreover, having a training plan or budget need not mean that it either guides practice or offers an accurate indication of expenditure.

Thus, as O’Gorman (2000) maintains, a lack of formality should not imply an absence of strategic thinking. This sentiment is echoed by Hill and Stewart (2000: 110), who argue that it is ‘an oversimplification to suggest that for HRD to be strategic it must always be subject to a formal framework and set of practices’. Hill (2001: 27) also states that ‘informality need not be synonymous with organisational laxness or ineffectiveness’ and that ‘simplicity of HRD delivery need not equate to inadequacy’ (Hill, 2002: 143). On the contrary, she maintains that ‘short, uncomplicated interventions that compliment and work with an SME’s pace, fluidity and direction seem acceptable and effective’ (ibid: 2002: 143). In a recent study, the use of informal OJT in small firms was found by Marlow (2000) to be attributed to the nature of the job itself and the skills required and not a negative attitude to training as an activity or investment. Similarly, Cannell (1996) purports that informal OJT is particularly typical of work that is unskilled or semi-skilled, while Harrison (2000) asserts that much training within the hospitality sector is informal for this very reason. Moreover, both Abbott (1994) and Johnson and Gubbins (1992) stress that if such methods meet the needs of a particular sector, i.e. hospitality, the criticism of their informal nature is clearly not justified.

### **3.7 Best Practice Human Resource Development**

The main aims of this section of the chapter are twofold: to explain how the term ‘best practice HRD’ was operationalised in the study, and to conduct a synthesis of the extant literature in order to produce an overall model/framework of conventional best practice HRD that can be used as a basis from which to answer the study’s main research question. The proposed model essentially takes the form of two principal gradations: idealistic and

prescriptive, as outlined by Stewart (1999). The idealistic form relates to the notion that a model can be used to specify some kind of ideal state to be attained, in this case, best practice HRD. In addition, many academic models can and do prescribe what reality should be and are thus prescriptive. They specify what components should be in place and how they should connect and relate to each other.

### ***3.7.1 The Concept of Best Practice***

Despite the fact that perspectives on the meaning of the term ‘best practice’ abound (see for example Dubé et al, 1999; Geringer et al, 2002; Jarrar and Zairi; 2000), perhaps the most definitive view of the concept is that proffered by Fitz-enz (1993; 1997a; 1997b). For Fitz-enz (1997a), best practice is not a visible program, process or policy but rather something more basic, found deep inside the fabric of an organisation. To this end he states that ‘we as business people have been snorkelling in our search for the pearls of best practice when we should have been scuba diving’ (ibid: 98). Thus, he maintains that the term is best described as:

An enduring commitment to a set of basic beliefs, traits, and operating stratagems. These are the constant context of the organisation: the driving forces that distinguish it from all others (ibid: 98).

Importantly, Fitz-enz (1997a: 97) highlights the widespread belief held by many that a publicised process or policy is an example of a best practice, stressing that in actuality, it is merely the ‘visible result of something much more fundamental within the organisation, which is itself the true best practice’. In 1990, the Saratoga Institute, of which Fitz-enz is the founder president, launched an ongoing study of effective HRM practices within US companies. Early in the study, the researchers discovered a fundamental paradox: they found that companies frequently approached similar business problems with diametrically opposing solutions, and yet were equally successful (Fitz-enz, 1997b). This led them to the following conclusion:

If Company A drives a car and Company B rides a bike but both leave from the same point X and arrive at destination Y in the same amount of time, the vehicle cannot be the determining factor (Fitz-enz, 1997a: 99).

Therefore, the critical lesson outlined by Fitz-enz, to put it simply, is: it's not what you do but why you do it that makes something a best practice driver.

### ***3.7.2 The Strategic HRD Model***

The application of strategic concepts to HRD is a major theme in much of the recent HRD literature (Luoma, 1999; Garavan et al, 1999a). Indeed, the strategic HRD model (SHRD) is often positioned as the ultimate best practice HRD framework; what Garavan et al (1995) refer to as the utopian view of how HRD should operate. The SHRD model presented by Garavan (1991), which is further developed and enhanced by McCracken and Wallace (2000a, 2000b), provides an effective format through which to analyse best practice HRD. This model emphasises nine key characteristics:

#### ***1. Integration with organisational missions and goals***

Garavan (1991) remarks that the integration of training and development into the wider planning process is critical for the achievement of SHRD. He adds that HRD must contribute to the achievement of business goals and have an awareness and understanding of the organisational mission. Luoma (1999, 2000b) maintains that HRD plays a central role in both the formulation and implementation of strategy, with the vision for the organisation being pursued through the execution of HRD. Building on the work of Burgoyne (1988), Lee (1996a) also contends that in strategically mature organisations, SHRD resides in a proactive role and that training and learning are the processes through which strategy is formulated. Hence, this characteristic stresses the imperative for there to be a direct link between business goals and HRD activities (Armstrong, 2001), for HRD to fit with the strategic thrust of the organisation (Garavan, 1997) and for HRD professionals to be involved in the strategic planning process (Swanson, 2000; Lee, 1996a).

#### ***2. Top management support***

Numerous authors accentuate the importance of top management support for the development of the workforce as central to SHRD. McCracken and Wallace (2000a) contend that senior management must take an active, rather than a simply passive, role in the process, whilst Harrison (2000) suggests that

HRD should be led by those in senior positions. Furthermore, Walton (1999:99) asserts that 'the presence of published statements at corporate level about the importance of learning and development and how they contribute to the overall corporate vision and mission' is a key indicator of a strategic approach to HRD. In addition, numerous researchers such as Pettigrew et al (1988), Kerr and McDougall (1999) and Smith and Whittaker (1998) refer to HRD champions, whose commitment to HRD is expressed through a positive culture for learning, development and training. Therefore, the active leadership of the HRD function by these 'key actors' (Garavan et al, 1998) is vital.

### *3. Environmental scanning*

Garavan (1991) insists that continuous knowledge of the external business environment, in terms of the threats and opportunities it presents for the business and for HRD in particular, is an integral part of SHRD. McCracken and Wallace (2000a) suggest that the undertaking of SWOT or PESTE analyses, specifically in HRD terms, is critical as they serve to further integrate HRD into the corporate planning process.

### *4. HRD plans and policies*

A formal and systematic approach to planning is widely advocated for achieving SHRD (Walton, 1999; Rothwell and Kansas, 1989). Indeed, the training cycle itself is frequently presented as a rational, linear procedure within prescriptive textbooks (Willis, 1994; Gunnigle et al, 2002). Garavan (1991) states that for HRD to be strategic in focus, it must formulate plans and policies that flow from, and are aligned with, overall business plans and policies. In addition, as McCracken and Wallace (2000b) note, HRD policies and plans must be supplemented by HRD strategies.

### *5. Line manager commitment and involvement*

Much of the HRD literature exhorts that line managers should assume responsibility for HRD, citing their involvement as critical to the practice of SHRD (Horwitz, 1999; Heraty and Morley, 1995; Garavan, 1991). Many authors also advocate the creation of strategic partnerships between HRD specialists and line managers, whereby both are involved in the process

(McCracken and Wallace, 2000b). In addition, Harrison (2000) stresses the importance of shared ownership of HRD, which Wognum (1998) refers to as strategic HRD aligning, whereby the interests of key HRD stakeholders are integrated.

#### 6. Existence of complimentary HRM activities

Luoma (2000a) stresses that the realisation of targets and objectives for HRD requires clarification of common guidelines for all HR activities. In this regard, HRD should be coupled or fit with all other HR practices in the organisation, and competencies developed through HRD must be sustained and reinforced with the help of other domains of HRM. Thus, as Garavan (1997:47) notes, 'a strategic HRD model is characterised...by consistency in employment decisions'. The development of an overall HR strategy, therefore, provides the overall guidelines for how these practices can function together. The HR strategy should co-ordinate and direct the different HR efforts to ensure that they are contributing to a common goal (Luoma, 2000b). Horwitz (1999) states that there should be congruence and mutuality between all HR activities, and that the HR strategy in turn should be aligned with the corporate strategy. Pettigrew et al (1988) also maintain that training and development must be embedded in a wide-ranging and inclusive approach to managing people.

#### 7. Expanded trainer role

Garavan (1991) remarks that the adoption of a strategic approach to HRD requires a considerable departure from the current role of the HRD specialist from a simple provider of training. Primarily, HRD staff must take a proactive stance and perceive themselves as being central, rather than peripheral, to the achievement of organisational goals. Nadler and Nadler (1989) contend that the human resource developer must embrace three key roles: that of learning specialist, manager of HRD and consultant (See Figure 3.2). Thus, there is the need for HRD staff to be a combination of training providers, innovators, consultants and managers of the process, as well as facilitators of change (Garavan, 1991; McCracken and Wallace, 2000a; Harrison, 2000). According to Burgoyne (1999) part of the role of the change agent is to reconcile the

conflicting interests of key organisational groups, helping them to interact more constructively. Horwitz (1999: 183) refers to this as ‘business and work process integration’, whereby people learn to work collaboratively across traditional functional disciplines and in multi-functional teams.

**Figure 3.2. Roles of the Human Resource Developer**

<b>Learning Specialist</b>	<b>Manager of HRD</b>	<b>Consultant</b>
Facilitator of learning	Supervisor of HRD programs	Expert
Designer of learning programs	Developer of HRD personnel	Advocate
Developer of instructional strategies	Arranger of facilities and finance	Stimulator
	Maintainer of relations	Change Agent

*Source: Nadler and Nadler (1989: 6)*

#### 8. Recognition of culture

Garavan (1991) asserts that the HRD function must be sensitive as to the given culture of the organisation and must endeavour to ensure a match between the culture and the strategic options pursued. Culture is said to exert a powerful influence on all aspects of the strategic management process (Johnson and Scholes, 1997; Johnson, 2000) and is widely held to be the major barrier to creating and leveraging intellectual assets (Long and Fahey, 2000). Thus, as McCracken and Wallace (2000a) observe, culture is viewed as a significant variable in deciding how HRD interventions should be designed, delivered and evaluated.

Horwitz (1999) remarks that one of the key features of the SHRD model is the creation of an organisational culture of continuous learning and transfer of learning between functional units. The learning organisation model (Pedler et al, 1991; Senge, 1990; Garvin, 1993), like SHRD, is also frequently postulated as the desired or ideal state for training and development in organisations (Garavan et al, 1995; Lähteenmäki et al, 2001; Walton, 1999). The creation of a supportive context and an environment where individual, team and organisational learning can flourish is a key factor of the learning organisation model (Armstrong, 2001; McCracken and Wallace, 2000a; Garavan et al, 1999a; Burgoyne, 1999).

### 9. Emphasis on evaluation

Garavan (1991) insists that in order for HRD to have a strategic focus, it is imperative for it to monitor and evaluate its activities. He advocates a structured and rigorous approach to evaluation, suggested by Johnson and Scholes (1997), of applying three principal criteria to HRD interventions: criteria of suitability, feasibility and acceptability. Horwitz (1999) maintains that this task should be undertaken in a systematic manner, using objective measures for evaluating the transfer of learning from the classroom to the job. The work of Lee (1996b) also addresses the issue of evaluation and he proposes that two such methods are available to the organisation: a pay-back approach and a pay-forward approach. The pay-back view maintains that a return on training investment is measurable in financial or analogous terms. It offers tangible, quantifiable results within a short time frame (Harrison, 2000; Garavan et al, 1998). The pay-forward view, on the other hand, is founded on the belief that the benefits of HRD cannot be expressed directly in financial terms and that these benefits will tend to accrue in the longer term. It also stresses that the investment in training is not made to produce an end in itself but rather the benefits from HRD are demonstrated in the company's improved capacity to learn and change.

#### **3.7.3 National Best Practice HRD: *Investors in People & Excellence Through People***

*Investors in People* (IIP) is the UK's national standard for linking an organisation's training and development activities to its business strategy (Alberga et al, 1997; Ram, 2000a). IIP provides a framework for the introduction and dissemination of best practice in the area of HRD (Bell et al, 2002). According to IIP UK, the standard provides a national framework for improving business performance and competitiveness, through a planned approach to setting and communicating business objectives and developing people to meet these objectives, with the result that people are motivated to do what is required of them by the organisation (IIP UK, 2003a). The latest available statistics reveal that by April 2003, almost 34,000 companies had been recognised by IIP UK, and a further 21,440 were committed to achieving the standard. This means that IIP reaches approximately nine million

employees, representing around 40 per cent of the total working population. A significant number of hospitality establishments are also covered by the standard, with sector penetration of almost 38 per cent reported (IIP UK, 2003b).

The Investors in People Standard is based on four key principles: Commitment, Planning, Action and Evaluation, comprising a series of twelve indicators against which an organisation is assessed (See Appendix 2). Hill and Stewart (1999) remark that the framework can be located within the conventional training and development cycle of needs identification, programme design and development, programme delivery and programme evaluation. Continuing, they add that by integrating the cycle of HRD with the business planning process, the IIP standard 'has the potential to raise the functionality and profile of HRD from the tactical to the strategic level' (ibid: 288). In this regard, IIP itself may be construed as a strategic HRD model and as a potential mechanism through which the realisation of a learning organisation can be achieved (Bell et al, 2002). More recently, the British government have invested £30 million in an effort to enable more small organisations to be recognised with the IIP standard (IIP UK, 2002). In addition, IIP UK has also introduced a new version of the standard, specifically taking the position of the small business into account. This new model is less prescriptive, placing more emphasis on the outcomes and impact of IIP, rather than on the processes in moving to recognition. Hence, there is now a reduced weight placed on formality (Smith et al, 2002).

In 1995, FÁS introduced the *Excellence Through People* (ETP) standard, which is Ireland's national framework for best practice human resource development (Gunnigle et al, 2002). The standard was developed to encourage organisations to develop the full potential of their employees so as to maximise their contribution to the specific needs of the organisation. An additional objective of the programme is to give public recognition to those organisations that are committed to achieving excellence through their workforce (FÁS, 2002). To date, ETP has been awarded to over 220 organisations throughout



the country (FÁS, 2003). Applications from companies for ETP are assessed against the criteria in Figure 3.3:

**Figure 3.3. The Excellence Through People Standard**

<b>Section One:</b>	Review of Organisation Plans and Objectives (150 Points)
<b>Section Two:</b>	Preparation of Organisation Training Plan (250 Points)
<b>Section Three:</b>	Review of Training (120 Points)
<b>Section Four:</b>	Implementation of Training (240 Points)
<b>Section Five:</b>	Training and Development Records (40 Points)
<b>Section Six:</b>	Employee Communications and Involvement (200 Points)

*Source: FÁS (2003)*

In order to achieve ETP certification, organisations must score 80 per cent in each section and 80 per cent overall. Certification is given for a period of one year during which time organisations are entitled to use the ETP logo for marketing or recruitment purposes (FÁS, 2003).

### **3.7.4 The Quality Employer Programme**

The *Quality Employer Programme* (QEP) was devised by the IHF in the latter half of 1997 following requests from its members for a code of practice in the area of HRM. The QEP is a programme designed to assist hotels to adopt and maintain excellent standards in the employment of the workforce. It outlines a code of practice with standards covering all aspects of employment including recruitment and selection, conditions of employment, training and development, performance reviews and exit interviews (Maher and Stafford, 2000). The programme was revised and updated in 2001 to reflect recent changes in the area of employment legislation (IHF, 2001b). To date, over 70 per cent of the IHF's total membership have applied for the QEP and are actively working towards accreditation. Of this 70 per cent, just over two thirds have been approved and are registered as Quality Employers (IHF, 2001b).

### **3.7.5 *The British Hospitality Association & Excellence Through People***

A programme somewhat similar to the IHF's QEP was developed and launched by the British Hospitality Association (BHA) in 1998. The scheme, entitled *Excellence Through People*<sup>2</sup>, recognises those tourism and hospitality businesses who have adopted employment practices deemed to match the best in industry (BHA, 2002). At the heart of Excellence Through People is the employer's implementation of a ten-point code of Good Employment Practice (See Appendix 3). In addition, establishments can be awarded a Certificate of Best Employment Practice, which is given to those employers who not only meet the requirements of the aforementioned ten-point code, but who have also demonstrated a clear commitment to: forging links with a local school or college through education- business partnership; widening access for employment opportunities; providing opportunities to gain qualifications; taking on a modern apprentice; and making a formal commitment to achieve the Investor in People (IIP) standard (BHA, 2001). The BHA also sponsors an annual Excellence Through People awards ceremony, in which small, medium and large hospitality establishments are recognised and rewarded for their outstanding and innovative approaches to the management and development of their staff (Hospitality Matters, 2001).

### **3.8 Best Practice HRD & the Small Firm**

It was acknowledged in Chapter One that despite the view that best practice can be applied in all organisations, regardless of size or sector, small businesses in general appear to have resisted its implementation. Furthermore, in an examination of the role of benchmarking and the dissemination of best practice within the hospitality sector, Ogden (1998) and Kozak and Rimmington (1998) also highlight the limited application among small hospitality businesses. The chapter also offered a plausible explanation as to why this has been the case, i.e. that small firms may be uncomfortable with formality and structure inherent in many best practice programmes and initiatives. The above discussion about the nature of HRD in small firms,

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<sup>2</sup> Not to be confused with the FÁS programme of the same name

particularly the importance of informality and tacit knowledge in Section 3.7, would appear to lend support to this contention.

Goss et al (1994) remarks that any attempt to improve the HRD practices of small enterprises must deal realistically and sensibly with their specific needs and, in this respect, will need to be broader and distinct from approaches developed with large firms in mind. Importantly, as Westhead and Storey (1996: 18) state:

...theories relating to SMEs must consider the motivations, constraints and uncertainties facing small firms and recognise that these differ from those facing larger organisations.

In a similar vein, Ghobadian and Galleary (1996: 86) argue that:

Differences exist in the structure, policy-making and utilisation of resources to the extent that the application of large business concepts to small businesses may border on the ridiculous.

In their study of IIP in small organisations, Hill and Stewart (1999) argue that the very nature of HRD in SMEs places them at philosophical odds with the concept; however, the same may be said of best practice HRD in general. Ram (2000a) maintains that the operationalisation of the principles of IIP through plans, targets, external reviews and qualifications and the privileging of formal training may be considerably problematic in a small business context. As Bell et al (2001: 162) note:

...such an approach is problematic because it obscures the softer aspects of organisational learning in order to satisfy the requirement to provide evidence, and this encourages managers to prioritise these more readily measurable activities.

This conflict is also highlighted by Smith et al (2002) and Kerr and McDougall (1999), while Vickerstaff (1992b) contends that the key features of small firm HRD tend to mitigate against the application of textbook approaches to the activity. In addition, Atkinson and Meager (1994) refer to the work of Pettigrew et al (1990), which illustrated how the procedures adopted by larger businesses to plan and evaluate HRD cannot be readily applied to a small business. The key question raised by these authors thus relates to the applicability of these normative models to the world of the small firm. Earlier

arguments advanced in the chapter would suggest a lack of suitability on two principal fronts: first of all, small firms are not *little big businesses* and their distinct features exert unique pressures on HRD (Harrison, 2000); and secondly, formality may be inherently inappropriate given the crucial importance of tacit knowledge and skills within a small business.

### **3.9 A Synthesised Model of Best Practice HRD**

The purpose of this final section is to bring together the various strands of literature as discussed above and thus to present a synthesised model of best practice HRD. The model is built on a variety of assumptions, which together provide the basis for a more integrative and richer approach to the study of conventional best practice HRD in organisations (See Figure 3.4).

Many of the features of the synthesised model have time, resource and structural implications that are more relevant and applicable to the large organisation (Wyer et al, 2000). Indeed, as acknowledged throughout the chapter, very few small organisations are said to display the key features regarded by many as the optimum conditions for performance (Penn et al, 1998).

**Figure 3.4. A Synthesised Model of Best Practice HRD**

<i>PRINCIPLE</i>	<i>REQUIRED HRD EVIDENCE</i>
<b>COMMITMENT</b>	Commitment to and support for HRD is led by top management and communicated to all employees
	HRD champions at senior level
	Written statements about the importance of HRD are evident
<b>PLANNING &amp; ORGANISATION</b>	Shared ownership of and responsibility for the HRD function through the creation of strategic partnerships between senior management, line management, HRD staff and employees
	Awareness of the implications of external influences for HRD through continuous environmental scanning
	Formal and structured approach to HRD planning (written) and HRD strategy
	Integration of HRD with other domains of HRM by means of an overall HR strategy, which in turn, is closely integrated with corporate strategy
<b>ACTION &amp; IMPLEMENTATION</b>	Managers have suitable knowledge and expertise to carry out training and development
	New employees and those new to a job receive comprehensive and effective induction training
	Training and development is linked to relevant external qualifications where appropriate
	Cultural fit
	Creation of a learning culture
	Roles of HRD staff: change agent, innovator, consultant, manager, facilitator and team builder
<b>EVALUATION</b>	Structured and rigorous approach to evaluation using objective criteria
	Senior management understands the broad costs and benefits of HRD
	Impact of the contribution of HRD in meeting business goals is assessed
	Improvements to HRD activities are identified and implemented
	Performance improvements are evident

### **3.10 Summary & Conclusion**

In this second part of the literature review the researcher has presented an in-depth and detailed discussion about the study's two key variables – the HRD practices of small firms and the concept of best practice HRD. From this review it is clear there are a number of key features of small firms, other than that of size itself, that distinguish them from large organisations; in particular, the concept of uncertainty, the emergent style of management and the influence of key decision makers. These key features, in turn, exert a significant impact upon the management of training and development in small organisations. To this end, it is not unreasonable to state that the characteristics of HRD in small firms reflect the characteristics of small firms themselves (see also Hill and Stewart, 2000).

Acknowledging both the prevalence and importance of informal, on-the-job training is critical to understanding a small business' overall approach to HRD . A particular consequence of informality has been its neglect in academic discussions. One of the key messages advanced by the author is that there is a need for small business researchers to adopt wider definitions of HRD than is afforded by those focusing purely on its formal elements. When a broader, more embracing definition is used, it is clear that significant HRD does take place in small firms. Moreover, there is no evidence to suggest that this informal training is inferior to that provided by larger organisations, despite this implication in much of the extant literature. These informal interventions are also not sufficiently acknowledged in normative models derived from the study of large organisations.

Finally, and perhaps most importantly in the chapter, the comprehensive analysis of normative models of HRD practice undertaken by the author has provided an enhanced understanding of the realm of best practice HRD. This analysis, in turn, has contributed to the development of a synthesised conventional best practice HRD model, the suitability of which to test from the perspective of small firms in the Irish hotel industry.

## **CHAPTER 4:**

### **RESEARCH DESIGN & METHODOLOGY**

#### **4.1    Introduction**

This chapter provides a detailed account of the study's research design and methodology. A research design is a detailed plan that guides and focuses the research (Hussey and Hussey, 1997) and essentially represents the overall configuration of the work (Easterby-Smith et al, 1991). Perhaps the most apt definition is that offered by Yin (1994: 19), who describes it as:

*...an action plan for getting from here to there, where here may be defined as the initial set of questions to be answered, and there is some set of conclusions (answers) about those questions. Between "here" and "there" may be found a number of major steps, including the collection and analysis of relevant data.*

The chapter also builds upon the study's research design by outlining and explaining the methodological strategy adopted for the work. It describes the operations of the fieldwork data collection and analysis and evaluates the perceived strengths and weakness of the research methodology.

#### **4.2    The Research Problem, Research Questions & Research Objectives: Examining the Relationship**

Prior to a discussion on the issues pertaining to the study's research design and methodology, it is pertinent to examine the nature of the relationship between the research problem, the research questions and the work's principal objectives. Chapter One of the thesis explained both the nature of, and background to, the study's research problem. This chapter also observed that the fundamental aim of the work was to conduct an exploratory study on the nature of HRD in small hotels in an effort to determine the feasibility of a conventional best practice approach in this context. Moreover, it was anticipated that this would enable the researcher to develop guidelines to assist small hotels, thereby helping them to understand how to be successful at best practice HRD by rendering it more accessible. The researcher acknowledges that the heterogeneity of the small firm sector makes it difficult to identify a single, prescriptive approach that small firms might follow. However, as Marlow (2000) observes, it is possible to identify critical areas of managerial

activity which underpin success and through empirical study offer good practice examples.

The purpose of research questions is to provide details about the general direction that is being taken in a study (Hussey and Hussey, 1997). Flick (1998: 46) remarks that the interpretivist researcher is confronted with the issue of formulating research questions throughout the entire research process, not only at the beginning but also: 'in conceptualising the research design, in entering the field, in selecting cases and in collecting data'. Thus, in such studies, the research questions frequently evolve during the research process itself and sometimes need to be refined and/or modified as the study progresses (Creswell, 1994; Hussey and Hussey, 1997). Nevertheless, Miles and Huberman (1994) maintain that it is important to start with some general questions, even if the researcher is following a largely inductive mode, as is the case with the current piece of work.

A pure inductivist approach is based on the premise that research should begin 'as close as possible to the ideal of no theory under consideration and no hypotheses to test' (Eisenhardt, 1989: 536). However, an increasing number of commentators have acknowledged that this purist approach is usually unattainable (O'Donnell and Cummins, 1999; Bryman, 1988a; Taylor and Edgar, 1996; Hartley, 1994; Morse, 1994). Brannen (1992: 8) states that:

...even if researchers lack a clear set of hypotheses at the start of their researches their ideas cannot help but be influenced by their prior knowledge of the literature and by ...previous research and common sense experience.

Perry (1998:788), however, contends that, in practice, it is highly 'unlikely that any researcher could genuinely separate the two processes of induction and deduction'. Miles and Huberman (1994) acknowledge that induction and deduction are linked research approaches, a view that is also shared by Patton (1991:134):

As evaluation fieldwork begins, the evaluator may be open to whatever emerges from the data, a discovery or inductive approach. Then, as the enquiry reveals patterns and major dimensions of interest, the evaluator will begin to focus on verifying and elucidating what appears to be emerging, a more deductive approach to data collection and analysis.



Therefore, although an interpretive approach questions the *a priori* formulation of hypotheses, 'it by no means implies that researchers should abandon their attempts to define and formulate their research questions' (Flick, 1998:46). Indeed, as Wolcott (1982: 157) notes:

...it is impossible to embark upon research without some idea of what one is looking for and foolish not to make that question explicit.

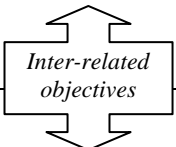
Continuing, Flick (1998) stresses the importance of developing a clear idea of the research questions, yet remaining open to new and perhaps surprising results. As a result, it was essential for the researcher to enter the field with an open approach that would permit the generation of new knowledge and insights. Bryman (1992b) states that an open research design enhances the possibility of encountering unanticipated issues which may not have been evident had the study's domain been constrained by a structured, and hence potentially rigid, strategy.

The project's three principal research questions have already been explained in Chapter One (pages 7-8). Table 4.1, below, shows how these research questions were operationalised and how they relate to the objectives of the work. As noted earlier, these questions were developed and evolved as part of the ongoing process of data collection and analysis.

#### **4.3 Development of the Research Design**

The development of an apposite research design for the study involved a number of key considerations. Primarily, the researcher had to consider the particular phenomenon under investigation, the subject under scrutiny, which in this case was small firms in the Irish hotel industry and the HRD practices in which they engage. Thus, there was essentially a dualistic aspect to the phenomenon. Consequently, it was important for there to be a high degree of compatibility or congruence between these aspects, the way in which the researcher approached the study and the research design itself.

**Table 4.1 The Relationship between the Research Objectives & Research Questions**

Research Objectives	Operational Research Questions
To determine the characteristics of conventional best practice HRD, using secondary sources as the focal context.	1. What are the key characteristics of best practice HRD as outlined in normative models in the extant literature?
To explore and describe the HRD approaches found in the small hotels studied.  <b>RESEARCH QUESTION 2</b>	2. What are the HRD practices of small hotels? 3. What are the principal influences on HRD practice in small hotels? 4. Is size a significant variable in explaining company behaviour towards HRD?
To investigate whether models of conventional best practice HRD are applicable to small hotels.  <b>RESEARCH QUESTION 1</b>  	5. Is there any evidence of conventional best practice HRD in the hotels studied? 6. What are the small hotels' perceptions of conventional best practice HRD? 7. Is size a significant variable in explaining company behaviour towards conventional best practice HRD? 8. How do the HRD models and perspectives found in the hotels studied compare to conventional best practice HRD?
To examine and establish how small firm HRD may impact upon their participation in conventional best practice HRD.	9. How might the nature of HRD in small firms be affecting their participation in conventional best practice HRD? 10. What might be preventing them from currently participating in conventional best practice HRD? 11. What might be enabling them to participate in conventional best practice HRD?
To develop an understanding of the concept of best practice HRD from the perspective of a small hotel and compare this to the characteristics of conventional best practice HRD.  <b>RESEARCH QUESTION 3</b>	12. What sort of best practice HRD framework would be practically relevant and effective for a small hotel? 13. How can best practice HRD be made more accessible for small hotels? 14. How does this compare to conventional best practice HRD?

The considerable gap in knowledge regarding the HRD practices of small organisations has been widely acknowledged throughout the academic world (Rowden, 1995, Johnson and Gubbins, 1992; Pettigrew et al, 1990, Kerr and McDougall, 1999, Reid and Adams, 2001). By way of illustration, Heneman et al (2000: 25/26) refer to the fact that 'scholars are lamenting the dearth of

information' in this regard. The particular situation of the hotel industry in this respect has also been highlighted by recent work (Jameson, 2000; Barrows, 2000; Conrade et al, 1994). As Guerrier and Deery (1998: 154) note:

...whilst there is academic interest in small hospitality businesses, there is relatively little work from an organisational behaviour or human resource perspective in this sector.

Therefore, when the two aspects of small firms and HRD are taken into account, we are presented with an area of management research that remains, as yet, comparatively unexplored.

The second issue meriting consideration concerned the philosophical underpinnings of the research design. There has been a long-standing debate in the social sciences regarding the philosophical reference position that should guide the research process and hence the production of management knowledge. Indeed, commentators have identified two principal traditions or perspectives that appear to be diametrically opposed. These philosophical orientations have been labelled in many different ways, including positivism and constructivism (Guba and Lincoln, 1994, 1998); positivism and interpretivism (Szmigin and Foxall, 2000); experimentalism and naturalism (Ali and Birley, 1999) or scientific and humanism (Hussey and Hussey, 1997). The importance of making one's philosophical position clear has also been acknowledged by a number of authors (Easterby-Smith et al, 2001; Partington, 2000; Chia, 2002). According to Guba and Lincoln (1998) these positions have important consequences for the practical conduct of inquiry, as well as for the interpretation of findings. Consequently, understanding the philosophical positioning of research is particularly useful in helping researchers clarify alternative research designs and in identifying and creating an appropriate design for their work (Amaratunga and Baldry, 2001). Thus, after thoughtful consideration, it was decided to position the study within an interpretive paradigm. This perspective is widely advocated as being the most suitable for an emerging field of inquiry (Churchill and Lewis, 1986; Bygrave, 1989; Miles and Huberman, 1994).

The dominant paradigm to date in many fields of inquiry, including HRD, has been positivism (Marsick, 1990). Indeed, Leonard and McAdam (2001) acknowledge that the field of management research has been predominated by positivistic approaches. Furthermore, the same may be said of studies conducted both in small businesses (Curran and Blackburn, 2001) and the hospitality industry (Taylor and Edgar, 1996). Despite the predominance of the positivist paradigm, many scholars now argue that this approach fails to capture rich data and provide deep insights regarding management practice within organisations (Marsick, 1990). By way of illustration, Perry and Coote (1994: 3) remark that:

In many areas of the social sciences, existing deductive, theory testing methods do not adequately capture the complexity and dynamism of the context of organisational settings.

Healy and Perry (2000) declare that a positivistic view is inappropriate when researching social science phenomena, which habitually involves humans and their real-life experiences. This view is shared by Willer and Willer (1973) who argue that the complexity of human behaviour renders it very difficult to establish causal relationships. Furthermore, as the study of small firms invariably involves the study of human action and behaviour, Shaw (1999) maintains that such research is essentially concerned with the nature of reality in the social world. In contrast to the natural world, the human subjects of the social world 'possess the ability to think for themselves comprehend their own behaviour and have an opinion about the social world of which they are a part' (ibid: 60). A number of other commentators have also echoed this sentiment (Gill and Johnson, 1997, Bryman, 1988b, Miles and Huberman, 1994). Thus, as Guba and Lincoln (1994:106) note:

Human behaviour, unlike that of physical objects, cannot be understood without reference to the meanings and purposes attached by human actors to their activities.

Hence, a review of recent small firm literature reveals an emerging preference for interpretive/constructivist approaches to small business studies that frequently employ qualitative methods of collecting and analysing empirical data (see for example Stokes, 2000; Hill et al, 1999; Grant et al, 2001; Holliday, 1995).

The third and final issue that warranted consideration concerned the data collection strategy that would be adopted for the work. The preceding arguments in the chapter have clearly outlined how the research design was primarily influenced by the object under study. The degree to which maturity in the given field is evident thus has implications for the philosophical perspective from which the research is approached. Therefore, the data collection methods and how they are used are dictated by the nature of the phenomenon under investigation and the given research questions, as well as by the philosophical underpinnings of the interpretive/constructivist paradigm. Bearing this in mind, the researcher adopted a hybrid methodology enabling the use of both quantitative and qualitative methods. The theoretical merits of this approach shall now be discussed. Sections 4.9 and 4.10 then describe how the practical undertaking of the research was influenced by the preceding theoretical debate.

#### **4.4 The Methodological Strategy**

The methodological strategy was comprised of two principal elements: a postal questionnaire and a series of interviews. The adoption of a mixed method approach has emerged as a common research strategy within the field of small business research (Curran and Blackburn, 2001). In addition, Holton and Burnett (1997) remark that HRD researchers have utilised both quantitative and qualitative methods, stating that ‘both methods are valuable and often quite powerful when used together’ (ibid: 66). Moreover, Oppermann (2000) notes that tourism and hospitality researchers have also embraced the concept of triangulation. A number of prominent researchers such as Burgess (1984) and Denzin (1989) suggest that the best way in which to conduct a research project on human subjects is to use a combination of qualitative and quantitative techniques. As Bryman (1988b: 126-127) argued:

...when quantitative and qualitative research are jointly pursued, much more complex accounts of social reality can ensue...the rather partisan either/or tenor of the debate about quantitative and qualitative research may appear somewhat bizarre to an outsider, for whom the obvious way forward is likely to be a fusion of the two approaches so that their respective strengths might be reaped.

Denzin (1978) has identified four basic types of triangulation: *data triangulation*, which involves the use of a number of sources of data in a single study; *investigator triangulation*, involving a number of researchers or evaluators; *theory triangulation*, involving the use of multiple perspectives in order to interpret the same data set; and finally, *methodological triangulation*, which involves the use of multiple methods within a single study. Both theory and methodological triangulation were applied in this study. Themes arising from the questionnaire, combined with questions on issues that weren't particularly suitable to being asked on a questionnaire, were explored in a series of interviews (Lane, 1994). Analysis of the survey also enabled more general theoretical questions to be raised about the attitudes and experiences of small firms towards the practice of HRD for further investigation through interviews (Gibb, 1994). In terms of theory triangulation, a broad range of literature and theoretical perspectives were brought to bear in the analysis and interpretation of the findings.

The use of a questionnaire in combination with a separate interview programme is by far the most common strategy used in hospitality research (Lucas, 1999). The overriding aim of this triangulated approach was to gain further clarification, understanding and explanation of particular areas of interest emanating from the questionnaire and to provide answers to some of the 'why?' and 'how?' questions about the issue under investigation (O'Donnell and Cummins, 1999; McCracken and Wallace, 2000b). The follow-up interviews also aimed to provide support for the responses in the questionnaire and to provide further corroboration for the initial inferences made (Hoque, 2000).

#### **4.5 Evaluation of the Hybrid Methodology**

As with any research project, the researcher acknowledges that coupled with the benefits of the chosen methods, also come their respective limitations. Thus, the espoused merits and constraints associated with the adoption of a hybrid methodology shall now be considered.

#### ***4.5.1 Use of Postal Questionnaires***

The use of a postal questionnaire serves two important purposes. Primarily, it enables the researcher to gain an initial understanding of the HRD practices of small hotels and the extent to which the implementation of conventional best practice models might be feasible – ‘prehension’ (Kolb, 1984). Secondly, Curran and Blackburn (2001) maintain that one of the most challenging aspects of small business research is gaining access to these businesses. Thus, by introducing both the research and the researcher to the hotels in the target population, the questionnaire also helps to smooth and secure access to the research sites, thereby facilitating the selection of hotels for further investigation through interviews (Bryman, 1992a).

The questionnaire has undoubted strengths in its ability to describe the features of the HRD approaches adopted by a large number of small hotels. It is also a relatively economical technique, which if comprised of mainly closed questions that, is quick to complete and analyse (Easterby-Smith et al, 2001; Hussey and Hussey, 1997). However, given that the data received depend on self-reporting, it is important for the researcher to exercise some caution in their interpretation (Bacon et al, 1998). In addition, the use of a cross-sectional survey affords only a ‘snap-shot’ view of the research situation (Hussey and Hussey, 1997). Heraty (1992) also remarks that the use of closed questioning offers the respondent little or no opportunity to outline and explain his/her opinion on the subject matter of the questionnaire. Thus, data is frequently limited to responses to the given questions and especially to the categories provided. Continuing, Heraty (1992) adds that closed questioning may also introduce distortion, whereby the respondent, finding no answer option accurately reflecting his/her opinion, chooses any answer at random, and then moves on. Oppermann (2000: 143) observes the potential bias in this regard and maintains that ‘other, possibly more important, categories not included will not be detected and, therefore, the results will be biased towards the preconceived categories’.

In situations where there are only a small number of possible respondents to a survey, as was the case with the current study, it is clearly feasible to distribute

the material to each potential respondent without any recourse to sampling (Kotey and Meredith, 1997). Variation due to sampling design is therefore removed, although some uncertainty inevitably remains on account of non-response (Vickerstaff and Parker, 1995). It may also be necessary to restrict the final sample in a number of ways. By way of illustration, introducing delimitations such as firm size, industry and location are necessary to control the impact of environmental variables and enterprise resources on HRD. The population may also be restricted to one industry to avoid the impact of a varying outer context of HRD (Sparrow and Pettigrew, 1988) that includes such factors as external labour markets, technological investment, institutional practices and changes in the regulatory context (e.g. privatisation, deregulation). Luoma (1999) notes that these factors may vary considerably across industries and lead to some in-built differences in the way firms in different industries manage HRD. In addition, delimitations by location ensure that firms included in the study faced similar state government regulations, policies and programs, infrastructural support, demographics such as population size, and other economic conditions which can impact upon the practice of HRD (Kotey and Meredith, 1997).

#### ***4.5.2 Use of Interviews***

As indicated earlier, the employment of a separate interview programme enables the researcher to overcome the limitations associated with the use of a questionnaire. Paget (1983) views the in-depth interview as a scientific means of developing systematic knowledge about subjective experience. She regards it as a medium through which the interviewer and the interviewee co-create this knowledge, with the former being fully implicated in the process of gaining knowledge about the interviewee's subjective experience. This stance is reaffirmed by Whipp (1998) who adds that the interview enables individuals to reveal the personal framework of their beliefs and the rationales guiding and informing their actions. Therefore, as one of the aims of the study was to portray how small hotels view their world and to capture their individual perceptions to and experiences of HRD (Patton, 2002), the researcher deemed the interview to be a valuable research instrument.



The selection of hotels to be included in the interview programme was guided by the logic of purposeful sampling (Patton, 2002). Purposeful, rather than random sampling, was deemed to be a more effective way of selecting hotels rich in data pertinent to the substantive research problem and capable of answering the study's research questions (Morse, 1994). The basis for selection was also governed by theoretically informed judgement. Hartley (1994) explains that cases are selected to provide the best possible situations to research the phenomenon in question, whether they are typical or atypical situations. To this end, purposeful sampling was suited to developing a comprehensive understanding of the HRD practices of small hotels and subsequently to ascertain the feasibility of conventional best practice HRD in this context (Shaw, 1999).

Patton (2002) advocates the adoption of a semi-structured approach to the interview. To this end, the tactic involves adopting elements of a conversational (informal) interview approach and an interview guide approach, as described by Patton (2002). The strength of the conversational interview lies in its ability to offer maximum flexibility to pursue a line of enquiry in whatever direction appears to be appropriate, interesting and theoretically rich. The interview guide then serves as a basic checklist to ensure that all of the relevant topics and the same basic lines of inquiry are covered with each respondent. Within the context of the present study the interview structure itself was also somewhat predetermined by the structure of the questionnaire and the completed questionnaire was used as an *aide-mémoire* during the interview process (McCracken and Wallace, 2000, O'Donnell and Cummins, 1999). The advantage of the interview guide approach rests on its ability to make interviewing a number of different people more systematic and comprehensive by delimiting in advance the main issues to be explored. Thus, this combined approach afforded the researcher flexibility in probing and determining when it was 'appropriate to explore certain subjects in greater depth, or even pose questions about new areas of inquiry that were not originally anticipated in the interview instrument's development' (Patton: 2002: 347).

Patton (2002) remarks that the immediate period of time after an interview has taken place is crucial for guaranteeing the quality of the data gathered in terms of its usefulness, reliability and authenticity. Thus, immediately after the interview has taken place, the researcher should check the tape in order to verify that it has functioned properly and that the entire session had been captured. In addition, it is imperative to review the notes of the key points to ensure that they make sense and to uncover any areas of ambiguity or uncertainty. At this point, any ideas or interpretations made by the researcher should also be recorded and clearly marked as emergent, field-based insights to be further reviewed at a later time.

The use of interviews enables the researcher to test the findings of the questionnaire and also to explore their meaning (Bryman, 1992b; O'Donnell and Cummins, 1999). They also enable the researcher to investigate whether there has been a degree of over-claiming (Bacon et al, 1998), thereby assisting in overcoming the problems of a self-administered questionnaire. The questionnaire is essentially only a brief glimpse into the research situation – the tip of the iceberg, whereas the interviews enable the researcher to delve below the respondents' surface reactions and to discover more fundamental reasons underlying their attitudes, beliefs, behaviour and feelings towards HRD (Kinnear and Taylor, 1996). Finally, the highly adaptable semi-structured interview format also allows issues to be followed up, clarified and developed during the discussion itself (McCracken and Wallace, 2000b).

Despite the aforementioned benefits, a number of limitations associated with the interview instrument should be noted. Primarily, this is a very time-consuming process as the researcher frequently has to travel long distances to complete the task. The verbatim transcription of the interview itself is also a lengthy process, each one taking approximately six to seven hours. In addition, there is the danger of the interviewee giving what they considered to be a correct or acceptable response (Hussey and Hussey, 1997). There is also no anonymity in this situation and thus, respondents may feel compelled to say the 'right' thing (Johns and Lee-Ross, 1998). Easterby-Smith et al (1991) also highlight the issue of interview bias, whereby interviewers impose their own

frame of reference on their interviewees, both when the questions are being asked and during the interpretation of the answers. Thus, in order to overcome and possibly avoid this form of bias, the researcher is encouraged to leave many of the interview questions open.

An additional, yet related, limitation of the study that should be acknowledged was the lack of employee input and consultation in the research process. Nickson et al (2000) report that many surveys and subsequent literature in the HR area place a heavy reliance on a *management perspective* in response to current practices in hotel establishments. This research followed the same process. The target for both the questionnaires and the interviews was primarily the managers or owner-managers of small hotels. The overriding problem here is that the views of these respondents may not necessarily have corresponded with those of employees (Choueke and Armstrong, 2000). Thus, by relying on only one key informant in each hotel, there was a risk that a personal viewpoint was being obtained, which was not reflective of the reality for the organisation as a whole (McCracken and Wallace, 2000b). Nevertheless, it was deemed that this limitation was minimised by the fact that respondents, as the most senior HRD representative in their hotel, were clearly key informants about HRD issues and activities. However, gaining access to employees during site visits would undoubtedly have been of great benefit in terms of verification, or otherwise, of the data gathered (Amaratunga and Baldry, 2001; Holliday, 1995; Davies et al, 2001).

All in all, the use of methodological triangulation helps overcome both the weaknesses inherent in individual data collection methods (Yin, 1994) and the problems of bias as outlined above. Flick (1998: 231) states that the combination of methodological practices is best understood ‘as a strategy that adds rigour, breadth, complexity, richness and depth to an inquiry’, a view that is echoed by Fielding and Fielding (1986). Triangulation is widely regarded as being able to ‘capture a more complete, holistic and contextual portrayal’ of the phenomenon under investigation by examining the particular phenomenon from a variety of perspectives (Jick, 1983: 138). While some research phenomena lend themselves to clear dissection and analysis, others require to

be researched within their totality. Thus, in the study of small firms an approach is needed that will allow the researcher to gain a holistic perspective of the firm in order to understand any area of managerial activity. Researchers hoping to gain an insight into how small firms approach HRD therefore need to adopt methods that will take account of the holistic, contextual dimensions of the environment in which these managers operate (Grant et al, 2001; Hill and McGowan, 1999). More recently it also has been argued that human behaviour and organisational systems are often better studied in their totality, allowing all factors to be considered and for a complete understanding to be gained (Strauss and Whitfield, 1998). Ultimately, as Patton (2002: 223) observes:

...there are no perfect research designs. There are always trade-offs. Limited resources, limited time, and limits on the human ability to grasp the complex nature of social reality necessitate trade-offs.

#### **4.6 Operationalisation of the Key Constructs: Defining the Small Hotel & HRD**

As the project's central unit of analysis was the small hotel firm, the establishment of a suitable definition was clearly a prerequisite to determining the target population for the study. The issue of defining the small firm has been discussed extensively within Chapter 3, where it was observed that many studies tend to use a combination of both qualitative and quantitative criteria to achieve this aim. The definition adopted for this particular study capitalises upon this advantage and also draws upon the good practice principles of small firm definition as outlined by Curran and Blackburn (2001). Subsequent to a thorough review of the pertinent extant literature, the following definition was developed:

A small hotel is a privately run, independent business, in that it is not part of a group, with a maximum capacity of 50 bedrooms.

In its discussion of the concept of HRD, Chapter Two alluded to the fact that those working within small firms may be more comfortable with the term training and development as opposed to HRD. As a result, the application of these terms in thesis is reflective of this position: that is, training and development and HRD are used synonymously and interchangeably throughout the work. As Hill and Stewart (2000: 108) note, this is done 'for

simplification, not necessarily to position HRD and training and development as one and the same'. Thus, in this study, HRD is used descriptively and practically rather than as an abstract concept, in that it may be perceived as a series of job-related activities, directed at the training and development of both individuals and teams, with the aim of developing the work organisation itself. As recommended by Hill (2001), this is a more pragmatic and appropriate application of the term in the context of researching small organisations. Nevertheless, it is important to note that the study's overall involvement with HRD was much deeper and wider than merely an investigation of what patterns of training and development were evident. The interviews in particular enabled the researcher to focus on the outcomes of HRD, encompassing both learning and organisational development.

#### **4.7 Implementation of the Methodological Strategy**

The remainder of the chapter describes in detail how the study's data collection strategy was implemented in the field. It also provides the reader with an overview of how this data was subsequently analysed.

##### ***4.7.1 Determining the Target Population***

It was decided to use the membership database of the Irish Hotels Federation (IHF) as the principal source from which to select the target population. This database was deemed to be a suitable source as the vast majority of hotels in Ireland are represented by the IHF. Additionally, there was no pertinent list or database of small businesses, let alone small hotels, available for consultation. Considerable effort went into identifying those hotels eligible for participation in the study. The final population consisted of 349 premises. The selection of hotels to be included in the interview programme was guided by the logic of purposeful sampling as described earlier.

##### ***4.7.2 The Pilot Study***

A pilot study is essentially a small-scale replica of the main survey itself (Moser and Kalton, 1992). The principal purpose of the pilot study in this project was to refine the questionnaire to ensure that respondents would have no difficulties in answering the questions and also to verify that there would be

no subsequent problems in recording and analysing the data received (Saunders et al, 2000). Oppenheim (2001) notes that, in principle, respondents in a pilot study should be as similar as possible to those in the final population. However, he also acknowledges that in cases where the total population is very small and highly specific, 'so that we cannot afford to 'use up' any part of it for pilot samples', it is imperative for the researcher to seek alternative samples that are comparable in terms of their knowledge and way of thinking (ibid: 62). As a result, the questionnaire was administered to members of the steering committee involved with the *Hotel Management Skillnets* project in the Dublin Institute of Technology, Cathal Brugha Street. *Skillnets* is an industry-led training networks programme funded by the Department of Enterprise, Trade and Employment. The Hotel Management Skillnets research project aims to identify the skills, knowledge and behaviours required at middle management level in the Irish hotel industry (Brophy and Kiely, 2002). The Steering Committee included representatives from the Irish Hotels and Catering Institute (IHCI), IHF, CERT, individual, group and international hotel chains and was thus deemed to be a suitable and relevant group with whom to pilot the survey.

The pilot study was conducted during the first two weeks of October 2002. The committee members were asked a number of questions concerning the following issues:

- How long the questionnaire took to complete;
- The clarity of the instructions given;
- The cover letter;
- Which, if any, of the questions were ambiguous;
- Which, if any, questions they felt uneasy about answering;
- Whether, in their opinion, there were any major topic omissions;
- Whether the layout and structure was clear and attractive;
- Any other comments.

Following the pilot survey, the researcher made a number of alterations and amendments to the questionnaire in accordance with the issues raised by the *Skillnets* committee members.

#### ***4.7.3 Data Collection Phase 1: Questionnaire***

A comprehensive postal questionnaire was deemed to be an effective medium through which to gather a large amount of data about the 349 eligible hotels (See Appendix 5). A preliminary exploration and review of the subject area established a useful basis for the design and structure of the survey instrument. The four-page document was comprised of 29 fixed and multiple-choice questions. It was divided into three sections and sought mainly quantitative data. Great care was taken in designing, structuring and administering the questionnaire in order to produce clear and unambiguous questions. All but one of the questions were close-ended in order to facilitate data analysis.

It was essential to produce a questionnaire that would not only be relevant to the respondents, but would also not pose significant difficulties for those answering the questions. Therefore, good practice in questionnaire design was followed, as recommended by such authors as Sallant and Dillman (1994), Alreck and Settle (1995) and Oppenheim (2001).

The response rate was well above average for both the hotel industry and small businesses, as reported in other studies employing the same technique (see for example Hiemstra, 1990; Loan-Clarke et al, 1999; Morrow et al, 2001). In addition, a non-response analysis (Zikmund, 1991) revealed no significant differences between initial and subsequent respondents on all items apart from the age of the property. In this regard, a chi-square test revealed that older hotels, defined as those in operation for 10 years or more, were more likely to respond within three weeks than their younger counterparts ( $X^2 = 5.436$ ,  $df = 1$ ,  $p = 0.034$ ).

The timeframe for both phases of the data collection process is depicted in Table 4.2. It should be noted that due to the seasonality of the hotel industry, a number of hotels were closed as of November 1<sup>st</sup> 2002, thereby eliminating

them from any further contact in terms of encouraging them to participate in the study. It is also worth noting that while the level of response to individual questions varied, there did appear to be a genuine interest in the subject matter of the questionnaire. Indeed, of the 118 hotels that responded, 91 (77.12%) offered themselves for a further follow-up on the subject. However, the researcher acknowledged that there was the potential for bias among small firm managers and owner-managers who were prepared to be interviewed with an ignorance factor regarding non-respondents (Patton, 2002; Marlow, 2000; Hussey and Hussey, 1997).

**Table 4.2 Timeframe of the Study**

<u>Date</u>	<u>Action</u>
June 2002 – September 2002	349 hotels contacted and name of person responsible for HRD obtained
1 <sup>st</sup> October 2002 – 15 <sup>th</sup> October 2002	Pilot study conducted
22 <sup>nd</sup> October 2002	Questionnaire packs posted
November 13 <sup>th</sup> 2002	77 responses received (22.06%)
November 14 <sup>th</sup> 2002	349 hotels contacted: thanked those who had responded; encouraged those who had not
7 <sup>th</sup> December 2002	118 responses received (33.8%)
31 <sup>st</sup> January 2003	Email sent to hotels that had expressed interest in participating further in the study
10 <sup>th</sup> February 2003	Access granted to 12 properties for purpose of conducting follow-up interviews
12 <sup>th</sup> February 2003	Email sent to 12 properties to answer queries and confirm details regarding interview
28 <sup>th</sup> February 2003	All interviews successfully completed

#### **4.7.4 Data Collection Phase 2: Interviews**

The interviews were carried out with selected managers who had provided particularly valuable information on the questionnaire. A total of 12 follow-up interviews were undertaken (See Appendix 6). The 12 interviewees were all respondents to the questionnaire and as the person with principal responsibility for HRD in their organisations were considered to be key informants about HRD issues. Good practice in interviewing was followed, as recommended by Miles and Huberman (1994) and Patton (2002).



#### **4.8     Data Analysis**

The analysis of the fieldwork data took two forms. The quantitative data were analysed using SPSS. The researcher mainly employed the use of descriptive statistics to analyse the responses to the questionnaire. In addition, as most of the data gathered was either ordinal or nominal, more statistically powerful tests could not be conducted. Therefore, the researcher made extensive use of non-parametric tests, in particular cross tabulations and chi-square tests. Non-parametric tests were also deemed to be more conducive to the inductive, theory-building approach taken, largely on account of their being ‘inferential tests that make very few assumptions about the data and in particular its distribution’ (Brace et al, 2000: 11).

Analysis of the qualitative data yielded by the programme of interviews was a more complex process. At this stage it is important to stress that due to the largely inductive approach being taken, the collection and analysis of data was an ongoing, simultaneous process. Despite the fact that the collection and analysis of data was a concurrent activity, a period of more concentrated and in-depth analysis took place when the researcher left the field (O’Donnell and Cummins, 1999). Interview data were analysed continuously by the writing up and coding of fieldwork notes, and then by re-reading of the data transcripts so as to tease out themes, patterns and categories. The coding system adopted drew on the work of Miles and Huberman (1994). The completion of a *contact summary form* for each interview site offered a swift, practical and effective format for a first-run at data analysis (See Appendix 7). Miles and Huberman (1994: 52) note that this form ‘captures thoughtful impressions and reflections. It pulls together the data in the...field-worker’s mind...and makes them available for further analysis’. Although this technique principally involved the development of a purely descriptive summary of each fieldwork contact, it was central to the generation of insight because it enabled the researcher to cope early in the analysis process with large volumes of data. Therefore, the re-reading of interview transcripts combined with the contact summary form allowed the researcher to become ‘intimately familiar with each case as a stand-alone entity’ (Eisenhardt, 1989: 540). It also enabled the researcher to

begin the process of structuring and organising the data into meaningful units (Shaw, 1999).

Throughout various stages in the analysis process, data displays using tools such as tables and theory-building models were also utilised. Many of the figures and tables in the thesis are the result of a continuous refinement of data displays constructed over time. Data display has been an important feature of this study, not only for analytical purposes but also as a visual aid to discussion in the thesis.

#### **4.9 Summary & Conclusion**

This chapter has given the reader a detailed insight into the research design employed by the researcher and the methodological strategy developed for the work. The researcher's decision to position the study within an interpretive paradigm proved to be the most appropriate given the nature of the phenomena under investigation. In particular, this approach enabled the researcher to develop practical and theoretical understanding of the HRD processes in a small hotel environment, which, in turn, led to the generation of an alternative theory of best practice HRD as applied to the small firm. The chapter also explained the reasons for the choice of particular research techniques, together with the constraints and limitations faced. The trade off between the strengths and weaknesses of both quantitative and qualitative approaches was considered carefully and a conscious decision was taken to employ methodological triangulation. The postal questionnaire provided a comprehensive overview of the research situation (HRD practices in small hotels), whilst the interviews helped to enrich, interpret and understand the survey findings in order to afford a more detailed insight. In the following chapter, the researcher's findings from the questionnaire survey and the follow-up interviews are presented and discussed.

## **CHAPTER 5: RESEARCH FINDINGS**

### **5.1     Introduction**

This chapter presents the study's main research findings. As outlined in Chapter 4, the methodological strategy was comprised of two principal elements: a postal questionnaire and a series of interviews. This chapter brings these findings together by presenting them under the same generic structure in order to facilitate interpretation and to aid further discussion and analysis<sup>3</sup>. The main content of the interview schedule was similar to that of the postal questionnaire but it also enabled the interviewees' responses to be probed in greater detail. One major difference, however, is that the interviews also addressed the issue of best practice HRD. From the outset, it is interesting to note that whilst there was a general consensus as to the importance of HRD amongst the hotels studied, there was considerable variation in the manner in which firms approached the management of HRD issues and activities.

### **5.2     Planning & Organisation of Training & Development**<sup>4</sup>

Respondents were asked a number of questions regarding the structure and organisation of their training and development effort and also about the nature of the planning process underlying their approach.

#### **5.2.1   *Training & Development Policy & Plans***

The respondents were asked to indicate which of five statements best described their hotel's overall approach to training and development (See Appendix 4, Table 1). Only a small minority of hotels reported a "written training policy" (12%). However, a further 32% revealed that they adopted a "positive and systematic", though "unwritten", approach. This would appear to indicate that many hotels exhibit a commitment to a more proactive, organised approach to training and development. It should also be noted that the largest group of hotels (51%) reported undertaking training "as and when necessary" without

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<sup>3</sup> It should be noted that percentages will be rounded to the nearest percentile throughout the chapter in order to avoid the use of decimals.

<sup>4</sup> All tables are labelled consecutively and may be found in Appendix 4.

having a particular policy on the matter. A considerable number of hotels (29%) reported that they had a formal training and development plan in operation. The interviews revealed that the presence of formal, and in many cases, written HRD plans and records, was linked to a number of objectives. Primarily, this system was cited as the most effective way of communicating to staff the nature of their jobs and the duties required of them. Similarly, it was considered to be an important means of ensuring that the required knowledge associated with the given job was imparted to employees. In addition, this format was deemed to be a valuable way in which to reassure staff that they had received the appropriate training on account of it being formally documented. It transpired that routine checklists and documented Standard Operating Procedures (SOPs) were used as the basis for designing training plans. These SOPs acted as a structured framework for guiding the HRD effort. Overall, formality and structure in the management of HRD were used as a means of maintaining consistency in service standards across all departments within the hotel; or at least, this was the stated objective of having a formal approach. However, some of the hotels stated that there was a degree of inconsistency in the nature of the approach taken to HRD throughout their hotel. Those managers wishing to implement a more methodical and structured approach stated that they were coming up against some internal resistance in this regard.

Of those who reported to having a HRD plan, 58% reported that this plan played either a “central” or “significant” role in the overall planning process for the hotel (Table 2). A General Manager described the nature of this relationship, stating that HRD formed the “cornerstone of business planning” within the hotel, a view that was echoed by some of the other managers interviewed. It was clear that these hotels recognised the importance of the link between training and development and the corporate planning process for the future success and survival of the hotel. For these establishments, HRD was undoubtedly a key source of competitive advantage. This theme is explored further in Section 5.4 in the context of the perceived benefits associated with HRD.

The interviews revealed that there were pockets of small hotels that adopted a more formal and structured approach to not only HRD, but also to the way in which they conducted their business in general. For example, when asked to describe the nature of the hotel's overall approach to business management and planning, a General Manager remarked:

Oh, it would be a formal thing. It's an advantage to make sure that the directors know then that it is very important, because if it was informal, they would say, well, they can leave it for another few months. But if it's formal, they know, right, it's a necessity; we have to go ahead with it.

Indeed, and very importantly, the nature of the hotel's approach to management in general frequently shaped the nature of the approach taken to HRD. The management style within the hotels tended to be intuitive, based on skills and previous experience, as illustrated by the following quote:

I've been running properties of this size and nature for about five or six years, so a lot of it I would admit is up in my head.

There was also evidence of a relatively short-term approach to planning on account of the vulnerability of the business to changes in the external environment. Changes to operating procedures were implemented gradually and a philosophy of continuous improvement through small, incremental steps was prevalent. In addition, there was considerable evidence indicative of a "hands-on" approach, with senior managers in particular expressing their preference for "being on the shop floor". Cash-flow concerns were also frequently top of the managerial agenda:

It's got to a stage where from a financial point of view, if we don't pull up our socks this year, if we don't turn around the figures, if we don't cut back on our costs, reduce our wages and increase turnover, there won't be a future basically.

Thus, a fluid and flexible approach to planning on account of market uncertainties was deemed to be the most suitable course of action for these establishments. However, this does not in any way imply that there was a complete absence of strategic thinking in these businesses. On the contrary, some of the hotels actively kept in touch with market developments, assessed the HRD impact and responded accordingly. Such activity is clearly demonstrative of a strategic approach, with the informants' discourse also

reflective of such an approach. Moreover, in a number of the properties, there was a regular strategic review of the hotel's current situation, where possible new opportunities were discussed and debated and the most feasible course of action/strategic alternative chosen. Dialogue and discussion amongst the management team through regular management meetings underpinned the detection of insight regarding changes in the hotel's external business environment. Therefore, comments about HRD were frequently linked into discussions about the general running of the hotel. The managers did not make a distinction between the general management of the hotel and the management of HRD. Thus, decisions concerning HRD were taken in context and reflective of business needs and priorities. In this way, HRD was widely regarded as being a part of everyday working practices and routines and therefore frequently indistinguishable from them.

### ***5.2.2 Funding for Training & Development***

Only 10% of respondents reported to having a separate budget for HRD. However, when asked about why they did not have a separate budget, 31% stated that training and development expenditure was part of, and positioned within, the hotel's overall/general budget (Table 4). Thus, it may be inferred that 41% of respondents had dedicated funding for HRD. A considerable number of hotels (43%) also stated that they did not have a training budget on account of the provision of in-house, on-the-job training instead. These managers clearly perceived the financing of HRD purely in terms of external costs, e.g. course fees. The interviews also confirmed that having moneys earmarked for HRD as part of the overall financial control of the business was widespread, whilst the existence of a separate budget was rare.

### ***5.2.3 Responsibility for Training & Development***

The questionnaire also sought to establish the locus of the training and development decision-making process within the target population. The most senior managerial person, i.e. either the General Manager or the proprietor, was found to have the principal responsibility for training and development in almost 60% of the hotels surveyed (Table 3). However, it was also interesting to note that in 38% of cases, this responsibility lay with someone other than the

most senior manager: Heads of Department (HoDs) were responsible in 21% of cases, whilst the overall responsibility was shared between various individuals in 14% of hotels. Analysis of the interview data revealed that the main reason for the delegation of responsibility for HRD to key personnel, i.e. HoDs, line managers and supervisors, is that these key personnel work with employees on daily basis and are thus in the best position to organise, deliver and monitor the HRD process. Their input is therefore crucial. The researcher found that key personnel contributed significantly to the HRD process by making suggestions in relation to HRD choice, duration and focus. They were also involved in deciding which employees should be put forward for training. Each manager took responsibility for his or her dedicated employees, with this being considered the most appropriate manner in which to ensure efficient management. Of considerable interest to the researcher was the fact that even in cases where the most senior person was cited as having principal responsibility, it transpired that in practice, other managers were more likely to carry out the daily task of training. Several different key roles played out by these senior personnel were evident. For example, these managers acted as facilitators, consultants and co-ordinators of HRD. They saw their primary role as being there to offer advice, support and assistance to other departmental managers in their role as trainers. In addition, they were largely responsible for the administrative tasks associated with HRD:

If I get involved in the day-to-day training of 'this is how you set a table, this is how you do this, that and the other' I would never get anything else done.

The senior personnel also provided examples of the innovative approaches they had taken in relation to HRD. A creative approach was deemed to be a vital way through which to maintain the interest of employees in their job:

I'd love to implement some more creative ideas here to jazz up the training. I think that's important; that people find pleasure in training and it doesn't become a dull necessity.

The researcher also found that in some cases decisions concerning training were made cooperatively with employees. Regular employee input into the HRD process and their opinions and feedback were obtained through both formal and informal channels: formally through the performance appraisal

process and informally through daily contact between management and staff. One General Manager described the nature of this two-way process:

...it actually works both ways. I'm learning from the managers what the staff need and I'm also learning from the staff what the managers need. The staff are actually quite open these days about saying what they feel the manager doesn't know.

Similarly, other managers remarked that the staff who actually do the job are in the best position to point out where improvements or changes could be made, with the implications this has for training. Virtually all of the hotel managers in the interview sample stated that their hotel was too small to justify the existence of a dedicated HR manager. Indeed, even in the two properties that had appointed such a person, the HR manager was frequently involved in other operational duties, while also taking care of the administrative aspect of their HR role. Results from the questionnaires revealed that less than 3% of properties employed a personnel/HR manager, with none of the hotels employing a dedicated training specialist. Despite this, however, analysis of the questionnaire and interview data revealed that a number of hotels had specifically trained in-house trainers and many of the other key personnel in the organisation involved with HRD had completed a "Trainers in Industry" course or an equivalent course.

One of the most salient findings from the series of interviews was that the educational and career background of the person responsible for HRD, in conjunction with their personality and disposition, heavily influenced the nature of the approach taken to the planning and organisation of HRD. Moreover, this influence was considerably stronger if overriding responsibility rested with the most senior manager in the hotel. This theme pervaded all aspects of the research findings and so the researcher refers back to the issue throughout the remainder of the chapter. Of particular relevance to this section of the findings was the fact that those managers who had trained professionally tended to value a formal and systematic approach to the management of HRD. An informal, reactive and ad-hoc approach was thus more prevalent amongst those managers who did not have a professional qualification or formal training background.



### **5.3     The Training & Development Process**

#### ***5.3.1   Analysis of Employee Training & Development Needs***

A considerable number of hotels (72%) reported that they undertook an analysis of the training and development needs of their employees. When asked about how frequently they undertook such an analysis, 41% stated that the activity was carried out at least once a year, while a further 55% reported undertaking a training needs analysis (TNA) on an ad-hoc basis, when they deemed it to be necessary. The interviews revealed that, in reality, the monitoring and assessment of employee HRD needs is akin to the hotel's philosophy of continuous improvement and is, therefore, an ongoing activity.

The majority of hotels identified at least two means through which the training and development needs of staff were established (Table 5). The most common tool used to achieve this task was to obtain informal feedback from both managers and staff (71%). Feedback from staff in particular was regarded as crucial on account of the importance attributed to employee input. Staff were deemed to be able to provide a unique insight into how a given job worked and were thus in the most optimum position to suggest improvements or changes. Employees were also empowered to request additional training or re-training in 31% of hotels. Feedback from employees was also obtained through the performance appraisal process (29%). This process was deliberately designed to act as a forum, whereby staff were encouraged to express their views, give opinions on their progress and to highlight areas in which they felt improvements could be made. This system was referred to as a "job chat" in some of the hotels.

Customers were also found to be a vital source of information for identifying training needs (50%). The use of guest feedback questionnaires and comment cards was a common occurrence amongst the hotels in the interview sample. The more proactive hotels actively sought the views of their guests on a regular basis, whilst other properties obtained this feedback purely on an ad-hoc basis. In these establishments, the analysis of HRD needs was largely reactive and in response to an immediate problem in the work situation. These hotels also

tended to rely more on the subjective observations of managers, rather than staff, as a means for identifying training needs.

### ***5.3.2 Implementation and Delivery of Training & Development***

Respondents were asked whether they provided **induction training** for new recruits. The vast majority of hotels (79%) provided some form of initial training for new staff members. The duration of this induction period was varied: more than one third of hotels stated that it lasted for half a day (35%); a further 26% reported several days, while a further 17% reported one day. Only 10% stated that the induction period lasted for several months. With regard to the **format of the induction process**, an on-the-job approach proved to be the most popular (61%) (Table 6). ‘Sitting-by-Nellie’ or shadowing was used in 36% of cases. It should also be noted that 34% of the hotels provided their staff with an employee handbook, containing details about their job, the hotel and other necessary information.

The overwhelming impression given by the informants during the interview process was that much of the training and development conducted during the induction stage is necessary to show new staff members “how things are done” (or some similar phrase) in the particular organisation:

... anyone you bring into a job needs training. Even if they’ve done the same job somewhere else, it doesn’t mean that they know how it’s done here.

Further analysis revealed that there were two distinct phases to the induction process in the hotels studied. The first is a socialisation/acclimatisation period whereby new employees are integrated into the prevailing culture of the organisation:

...we would pair them up with somebody and we would leave them roam with them for the first week or two and just let them get to know everybody’s names and who people are, get a feel for them and get a feel for us.

This phase is frequently operationalised through informal means such as a “buddy system” or a “shadowing policy”. The second phase to induction may be described as a period of intense skills instruction whereby new employees gain the technical knowledge required to perform their work roles competently.

Respondents were asked whether their hotel practised **multiskilling**, the extent to which this practice was structured and its format (Table 7). Virtually all of the hotels surveyed claimed to employ a multiskilling policy (90%). However, upon closer examination, it was revealed that many of them use the practice merely as a means of covering for absent staff (22%) and/or assisting in areas during busy periods (54%) as opposed to using it as a deliberate policy of ensuring that staff are cross-functionally trained (52%). Generally speaking, having a multiskilled workforce was deemed to be of vital importance to the hotels studied as it enabled them to be more flexible in their operations. Primarily, having such a policy meant that staff could move around to different departments within the hotel, as and when they were needed. The interviewees also believed that it enhanced job satisfaction for staff as it made their jobs more interesting and varied. Furthermore, these managers stated that it helped to promote a team culture throughout the organisation: all employees learnt to appreciate the work of their colleagues and thus multiskilling was an effective way of encouraging all staff to work together towards a common goal.

With regard to the location of training, the vast majority of hotels (almost 85%) stated their preference for the activity to be carried out internally (Tables 8 & 9). In addition, the training itself was delivered exclusively by internal staff in 63% of cases. Not surprisingly, unstructured on-the-job training was found to be the most popular type of HRD intervention with 65% of hotels classifying their approach in this manner. The preference for HRD to be delivered by internal personnel and for an informal, on-the-job approach emerged as the most common delivery format principally because this system was perceived as having a number of key advantages. Primarily, this system was considered to be the only real way in which to learn valuable customer service skills:

Well, I think on-the-job training is the coalface. I mean, I think it's the customer. Off-the-job training is fine for learning the skills, but applying them is on-the-job. Setting up the tables, doing the whole lot; if they haven't got the ability to pull back the chair and interact with the customer, however they do it, then you've lost. You're struggling.

In addition, some of the managers remarked that as OJT took place in familiar surroundings, staff were more at ease and thus, it was more amenable to the

creation of an environment conducive to learning. Furthermore, the system was deemed to be more appropriate to the needs of the hotels as it is flexible, firm-specific and can easily be integrated into daily routines. The first section of the chapter introduced the idea of HRD as part of everyday working practices. In this way, training and development interventions were not often additional activities. To this extent, it may be said that much learning in the hotels was tacit.

Overall, it is important to note that the approach taken to the planning and organisation of HRD did not necessarily translate into the actual delivery format or implementation of HRD. What influenced the decision about the delivery format of HRD was the nature of the job itself and the given skills required. HRD interventions were therefore focused and targeted, according to perceived needs. However, they were also dependent on the experience, disposition and attitudes of the managers involved in carrying out HRD. To this end, the nature of the approach taken to HRD – whether formal, informal or a mixed approach – was a matter of choice for the hotels concerned. There was no evidence to suggest that any of the properties were obliged to operate in an informal manner. On the contrary, an internal, OJT approach was considered to be the most effective way for staff to learn the necessary skills to perform their jobs.

Analysis of both the questionnaires and the interviews revealed there to be a division between statutory HRD and operations HRD in terms of how they were organised and delivered. Statutory HRD was found to be more formal, systematic and structured, and in many cases, was delivered by external personnel. Much statutory HRD, such as HACCP training, involves a large amount of theory, which is not amenable to being taught on-the-job. However, if the hotel had qualified trainers in-house, statutory HRD was undertaken by these internal personnel at the hotel. It was also common for suppliers of goods to be used as a source of training. Other managerial staff, i.e. key personnel mainly carried out operations training.

It emerged that all of the hotels in the interview sample believed that the upgrading of management skills is best acquired externally. All management HRD was conducted outside the workplace by external personnel and was therefore described by the interviewees as completely formal. These managers attended external courses/study and upon their return, shared and disseminated their newly acquired knowledge, often through informal means, with other organisational members. Thus, managers were frequently the catalysts for organisational learning. In this way, more general external HRD was made more relevant and specific for the hotels, as these managers were able to tailor it to suit the needs of their particular hotel.

### ***5.3.3 Evaluation of Training & Development***

It transpired that 65% of respondents endeavoured to evaluate the effectiveness of their training and development activity, possibly indicating the many hotels are taking the training and development of their workforce seriously (Table 10). Indeed, the more progressive employers maintained that the evaluation of training was crucial to the development of the organisation:

If you don't evaluate you don't know where you're going, or how people are performing or how the company is performing. Evaluation is an ongoing daily process. It has to be. Otherwise I could just sit in here, lock myself in the office, answer emails and play solitaire when I'm bored and nothing would be happening...there'd be no progression.

The results revealed that hotels collect data from a range of sources including managers, employees and customers. As with the determination of training needs, evaluation was undertaken through the use of mainly subjective forms of assessment. The majority of the criteria utilised by hotels operate at the level of the job itself and dimensions of the training and development programme. By way of illustration, the close observation of how staff performed in their work activities subsequent to training being undertaken proved to be the most extensively used criterion (41%). In addition, informal feedback from staff themselves was also widely used (39%), with informal feedback from managers actively sought in 32% of cases. The use of these criteria appears to have emerged from the “being there” approach to management, evident in the majority of hotels. This hands-on approach

enabled managers to be in close contact with the key issues of the business, to remedy problems on the spot and to maintain service quality standards through direct supervision. Indeed, the ability to monitor employee progress and deal with issues in real time on account of their properties being small was deemed to be a key strength amongst the hotels. This approach also enabled other managers and staff to engage in frequent informal communication with each other.

As with the identification of training and development needs, feedback from customers was also deemed to be an important way to determine the success or failure of any given training and development intervention (33%). Indeed, the interviewees remarked that customer feedback was the only real litmus test of whether or not training had been effective.

Despite the fact that evaluation was conducted in a mainly informal manner amongst the vast majority of hotels, there was a stark difference evident between those establishments who made a conscious effort to monitor HRD effectiveness, albeit informally, and those that just dealt with issues on an ad-hoc basis as they arose.

## **5.4 Small Hotels' Views on Training & Development**

### ***5.4.1 Attitude to Training & Development***

Respondents were asked to indicate which of four statements best described their hotel's attitude to training and development (See Table 11). Approximately 87% reported that they believed training and development to be either a "major" or "value-added business activity", an indication of the perceived contribution it makes to successful business performance. Only a very small minority (2%) reported their attitude to training and development as being "a waste of business resources", with the costs exceeding the benefits.

Within the interview sample the hotels were split into two distinct groups as regards their attitude towards HRD. The presence of what may be best described as champions of HRD amongst the management team was a key feature of one group, whilst the absence of these managers was a distinguishing

feature of the other. The HRD champion was frequently the person with principal responsibility for training. However, despite the fact that the position of the champion varied amongst the hotels, the key issue is that it was somebody who regarded HRD as critical to the long-term success of the business and thus had the relative power necessary to influence decision-making in this regard. It must be noted that this influence was all the more pervasive if the HRD champion was the most senior manager within the hotel.

Another key feature of the hotels without a HRD champion was that there were numerous policy gaps evident in these properties. The interviews revealed scant evidence of the espoused proactive-HRD culture and positive attitudes that the managers in these hotels claimed to have [as indicated on the questionnaire]. HR problems were widespread within these properties, with the managers bemoaning the fact that they were experiencing difficulties in recruiting and retaining experienced staff. Such problems were seen as almost exclusively externally imposed and there was no acknowledgement that they may be due in some part to the attitudes and behaviour of company management. In contrast to this, the other group of hotels expressed a clear recognition that as managers, the buck stopped with them:

...there actually isn't really any such thing as poor staff, as such. It's actually the managers who have either recruited the wrong person for the job in the first place or they are not taking the full responsibility for the training of the staff.

Moreover, they stressed that the attitude of staff towards the customer is ultimately governed by the attitude of management towards staff.

#### ***5.4.2 Small Hotels' Motivations to Train: The Benefits of Training & Development***

Virtually the entire survey sample (99%) reported at least one benefit of workforce training and development, with only 1% reporting no benefits.

From Table 12, it is clear that hotels provide training and development to achieve a number of objectives. The principal benefits of training and development cited by respondents were that it "improves the performance of

the hotel” (69%) and that it “increases service quality and service standards” (68%). Taken together, these two organisational benefits were cited by almost 80% of the respondents as the most important reasons for providing training and development. There was also widespread recognition of the direct link between the quality of staff and the level of customer service provided amongst the managers in the interview sample. Hotels citing this benefit saw that training feeds directly into the process of becoming more receptive to customer needs:

It doesn't matter if you have the most beautiful product of bricks and mortar and glass and everything that you can imagine but if you don't put the right service atmosphere in there with the right service standards and drive them with training, forget about it. You know, you're not going to succeed.

The improvement of service standards in turn was believed to improve the overall performance of the hotel; hence the reporting of these benefits often went hand in hand with one other.

The third most cited benefit to derive from training was that it “enhances worker commitment” (39%), with 30% reporting this as the most significant benefit. The hotels also reported a number of other HR benefits. By way of illustration, providing training on account of its ability to raise workforce skills was cited by 19% of respondents, with 24% identifying this as the principal benefit to derive from HRD. However, although 24% of respondents cited “decreases staff turnover” as a benefit of training, less than 4% reported as the main reason. Additional HR benefits of training and development included “increases labour productivity” (cited by 16%) and “effective way of rewarding staff” (cited by 10%). These HR benefits, particularly that training “improves worker commitment” and is an “effective way of rewarding staff”, were repeatedly cited during the interview process. Again, the managers highlighted the critical linkage between staff satisfaction and customer satisfaction. They also added that the creation of a learning environment through the provision of training and the open sharing of information is a powerful way to motivate staff as it makes them feel valued and encourages them to perform better.



Perhaps surprisingly, training was not often linked to the introduction of new products, services or process (12%) or even new equipment or software (1%). Some training is compulsory as it is a legal requirement for operating, or continuing to operate, within the hotel industry. Undertaking training and development to meet statutory obligations was reported by 16% of the respondents, and by 18% as the main reason for providing training.

#### ***5.4.3 Barriers to Training & Development***

The most frequently cited barriers were difficulties finding replacements for staff members attending training and the financial cost of training, cited by 49% and 46% of respondents respectively (Table 13). However, it should be noted that 51% of those reporting the “costs involved” as a major constraint, identified this as their primary concern compared to only 28% in relation to finding replacements. The interviews revealed that the hotels were often obliged to conduct training on-site due to the fact that they employed very few staff who could not be released for external training.

On the supply side, certain constraints were not a major concern for the respondents. In general, small hotels’ training and development activities were not heavily restricted by a lack of information about training opportunities (11%) or the timing of external courses (11%). However, the inconvenient location of external courses was one of the most frequently cited barriers to the provision of training and development (32%), with 26% of hotels identifying this as their primary concern. When asked to elaborate on this constraint, the managers stated that they were obliged to do less than an optimal amount of external training on account of the lack of training opportunities organised in their respective areas. Some of the managers remarked that there was a dearth of such opportunities available to hotels in rural areas, which they considered to be a considerable failing on the part of CERT.

Importantly, the fear that trained staff might be poached by competitors was not a major deterrent to the provision of training. Approximately 16% reported this as a barrier to training and less than 6% cited it as the most significant constraint on their training effort. The difficulties associated with measuring

the benefits of training were also of minor concern to the respondents (7%). Interestingly, a fear of poaching was consistently cited by the group of hotels in which there was no HRD champion and numerous gaps between espoused and operational policy.

## 5.5 Hotel Size & HRD

### 5.5.1 *Planning & Organisation of Training & Development*

The results from a chi-square test were inconclusive as to whether hotel size, in terms of **accommodation capacity**, was a major influencing factor on the particular **training and development policy** adopted (See Table 14). There also appeared to be no real differences between hotels of **varying workforce sizes**, with the chi-square test being inconclusive, yet again. However, all of those properties reporting that “no HRD had been undertaken recently” or that “HRD was a last resort” employed less than 50 people (Table 15).

The presence of a **training and development plan** was marginally more common in hotels with more than 25 rooms (35% versus 24%) (Table 16). In addition, of those with a plan, 61% had more than 25 rooms. The chi-square test, however, revealed that no relationship existed between accommodation capacity and having such a plan in place ( $X^2 = 1.552$ ,  $df = 1$ ,  $p = 0.302$ ). Hotels with greater workforces were also found to be more likely to have a training and development plan in operation (38%) compared to those employing less than 50 people (25%) (Table 17). Despite this, no relationship was found between workforce size and the existence of such a plan ( $X^2 = 1.770$ ,  $df = 1$ ,  $p = 0.268$ ).

The cross tabulations revealed that the proprietor was most likely person to have **control over the HRD function** in premises with less than 25 rooms (Table 18). Moreover, the chi-square test verified that there was a statistically significant relationship between accommodation capacity and the locus of responsibility for training and development ( $X^2 = 12.585$ ,  $df = 2$ ,  $p = 0.002$ ). Thus one can state that the delegation of responsibility and organisation wide ownership of HRD was more common in hotels with more than 25 rooms. The

results also showed that there were considerable differences between hotels of different workforce sizes. The chi-square test confirmed the significant nature of the relationship between workforce size and the delegation of responsibility for HRD ( $X^2 = 15.328$ ,  $df = 2$ ,  $p < 0.0005$ ). In hotels employing less than 50 people, it was most likely to be the proprietor who had the main responsibility for HRD (38%), whereas in hotels with more than 50 staff, this responsibility rested in the hands of someone other than the owner-manager or the General Manager (59%) (Table 19). Moreover, in 93% of cases where the owner-manager was responsible, the hotel employed less than 50 staff.

A chi-square test revealed that there was a statistically significant relationship between accommodation capacity and the existence of a **separate budget for HRD** ( $X^2 = 5.239$ ,  $df = 1$ ,  $p = 0.036$ ). Hotels with more than 25 rooms were more likely to have dedicated funding for training and development activities than those with less than 25 rooms (Table 20). The existence of a separate budget for HRD was marginally more widespread in hotels with more than 50 staff (Table 21). However, the chi-square test verified that there was no relationship in this regard ( $X^2 = 0.364$ ,  $df = 1$ ,  $p = 0.532$ ). Nevertheless, a statistically significant relationship was found between workforce size and the likelihood of having **overall dedicated funding for HRD** ( $X^2 = 8.078$ ,  $df = 1$ ,  $p = 0.008$ ). It transpired that 59% of hotels with larger workforces had dedicated funding compared to only 31% those properties employing less than 50 people. This was reinforced by the fact that the vast majority of those without dedicated funding (almost 75%) employed less than 50 people.

### ***5.5.2 The Training & Development Process***

The chi-square test revealed that there was no statistically significant relationship evident between accommodation capacity and the undertaking of a **training and development needs analysis** ( $X^2 = 3.380$ ,  $df = 1$ ,  $p = 0.104$ ) and also between workforce size and conducting a TNA ( $X^2 = 1.845$ ,  $df = 1$ ,  $p = 0.257$ ). However, cross tabulations revealed that this activity was more likely to be carried out within larger properties. In terms of the methods used to determine the training and development needs of staff, a number of the chi-square tests confirmed that the use of more formal and structured means was

not more common within larger properties (See Tables 22 & 23). However, a statistically significant relationship was found which demonstrated that hotels employing more than 50 staff made more use of informal feedback from managers and staff (90%) than smaller properties (62%) ( $X^2 = 9.616$ ,  $df = 1$ ,  $p = 0.004$ ).

Overall, the chi-square test was inconclusive as to whether the size of the hotel was an influencing factor on the **delivery format of HRD**. However, Tables 24 and 25 illustrate that smaller properties did appear to favour using internal personnel to carry out training. In addition they reveal that larger hotels were more likely to use a combination of internal and external personnel to deliver training than their smaller counterparts. Interestingly, however, those working in larger properties were only marginally more likely to be in receipt of external, off-the-job training than those in smaller hotels (Tables 26 & 27).

There was no statistically significant relationship evident between accommodation capacity and the likelihood of the **evaluation of HRD activity** taking place ( $X^2 = 0.177$ ,  $df = 1$ ,  $p = 0.829$ ). However, hotels employing more than 50 people were more likely to evaluate HRD than their smaller counterparts (79% compared to 59%). This was borne out by the chi-square test, which showed a statistically significant relationship between evaluation of HRD and workforce size ( $X^2 = 4.486$ ,  $df = 1$ ,  $p = 0.034$ ). The criteria used to determine whether or not training and development had been effective, in most cases, was also not related to the size of the hotel. However a number of significant results are worthy of mention (See Tables 28 and 29). By way of illustration, properties with more than 25 rooms were more likely to rely on informal feedback from managers as a means of assessing the outcome of HRD ( $X^2 = 4.243$ ,  $df = 1$ ,  $p = 0.043$ ). In addition, those with more than 25 rooms tended to rely more on the performance review process in an effort to determine whether HRD had been successful ( $X^2 = 8.763$ ,  $df = 1$ ,  $p = 0.008$ ). Hotels employing more than 50 people also tended to rely more on informal feedback from manager as a means of determining the effectiveness of HRD ( $X^2 = 9.616$ ,  $df = 1$ ,  $p = 0.004$ ).

### 5.5.3 Views on HRD

The results from the chi-square test revealed that there was no statistically significant relationship between **attitude to HRD** and the size of the workforce employed ( $X^2 = 3.1$ ,  $df = 1$ ,  $p = 0.146$ ) or the accommodation capacity of the hotel ( $X^2 = 0.179$ ,  $df = 1$ ,  $p = 0.892$ ) (See Tables 30 and 31).

A series of chi-square tests disclosed no evidence of significant relationships between workforce size and any of the **benefits of HRD** cited on the questionnaire (Table 33). Nonetheless, the cross tabulations showed that hotels employing less than 50 staff were more likely to state that HRD increases worker commitment to the hotel (44% compared to 28%). However, there was a significant relationship found between this benefit and the accommodation capacity of the hotel ( $X^2 = 5.705$ ,  $df = 1$ ,  $p = 0.020$ ) (Table 32). Hotels with less than 25 rooms were more likely to report this benefit than their larger counterparts (51% compared to 29%).

Finally, it emerged there were no significant relationships found between hotel size and any of the **barriers to HRD** mentioned on the questionnaire. Despite this, larger hotels expressed greater concerns than their smaller counterparts when it came to “finding replacements for staff attending training” (See Tables 34 and 35).

It is difficult to say whether the size of the property had an impact upon the nature of HRD in any of the twelve hotels in the interview sample. Some of the hotels were undergoing a period of expansion and were therefore experiencing considerable change. Interestingly, the managers in these properties stated that their increased size necessitated a more formal and structured approach to the organisation and management of HRD.

## 5.6 Quality Employer Programme & HRD

It was decided to compare the responses of those hotels involved with the IHF's Quality Employer Programme with those who were not. The purpose of this was to determine whether there were any significant differences in the management of training and development between the two groups. In addition,

the interviews enabled the researcher to question the respondents about their opinions and experiences of the Quality Employer Programme. Specifically, respondents were questioned about what prompted their organisation to apply for the standard and the benefits, if any, they saw to derive from it.

In terms of the profile of QEP members, Table 37 illustrates that hotels employing more than 50 people were more likely to have QEP status than their smaller counterparts. This was also borne out by the chi-square test, which found a statistically significant relationship between workforce size and QEP membership ( $X^2 = 6.217$ ,  $df = 1$ ,  $p = 0.022$ ). There was no relationship found between accommodation capacity and QEP membership ( $X^2 = 2.422$ ,  $df = 1$ ,  $p = 0.174$ ) (Table 36).

Those hotels that had been awarded QEP status gave a variety of reasons that had guided their application at the time. Primarily, gaining the QEP award was seen as means through which to overcome some of the HR difficulties that their hotel was facing, such as the attraction and retention of experienced staff. A General Manager stated that the increasingly competitive nature of the labour market and a shortage of skilled staff had provided the impetus for applying for the QEP:

...anything that could give you an edge to making people come work for you as opposed to a competitor was a bonus.

Some of the more forward thinking, proactive hotels stated that having the award was vital on account of the preference of CERT to send their trainees to hotels with the accreditation. Several managers noted that the competition for these particular trainees had intensified in recent times and thus maintaining QEP status was a critical priority for their hotels. Despite this, it is worth noting that, on the whole, having the QEP award was not seen as an effective marketing tool through which to attract staff. A HR manager questioned this particular espoused benefit of the programme:

I don't know if it's sufficiently advertised to really promote a good image to the general public.

A particular criticism that was highlighted by the managers was the view that the programme does not effectively discriminate between good and bad employers.

From my experience, I would see a lot of properties that would have it and yet I would know that it's not necessarily a pleasant environment to work in.

Moreover, a HR manager stated this is further compounded by the fact there is also considerable variation in the approaches to workforce management within Quality Employer properties. This manager expressed her belief that the QEP was really only a gimmick and saw no benefits to come from having the award. She stated that being accredited did not distinguish the hotel from other properties with more inferior or poorer practices or from those who were not adhering to the required guidelines. This view would appear to be supported by the findings of the questionnaire, which, overall, revealed scant evidence of considerable differences in the HRD practices of Quality Employer accredited and non-accredited properties.

#### ***5.6.1 Planning & Organisation of HRD***

A chi-square test proved to be inconclusive as to whether there was a relationship between QEP membership and the **HRD policy** adopted (Table 38). However, the cross tabulations revealed that 54% of those displaying a more strategic and progressive policy were QEPs. A chi-square test also revealed that there was no relationship between QEP membership and the existence of a **training and development plan** ( $X^2 = 3.041$ ,  $df = 1$ ,  $p = 0.127$ ). Despite this, it transpired that 39% of QEPs had a plan for training and development in comparison to 22% of non-QEPs. Moreover, 65% of those with a plan had the Quality Employer accreditation.

A chi-square test revealed that there was no statistically significant relationship between QEP membership and **responsibility for HRD** ( $X^2 = 2.83$ ,  $df = 2$ ,  $p = 0.243$ ) (Table 39). However, the delegation of responsibility for HRD to someone other than the most senior manager appeared to be more common in hotels with the Quality Employer accreditation. It should also be noted that it

was only in Quality Employer properties that a personnel/HR manager had any involvement in the training and development decision-making process (6%).

It emerged that there was a statistically significant relationship between QEP membership and the existence of **overall dedicated funding for training and development** ( $X^2 = 11.699$ ,  $df = 1$ ,  $p = 0.001$ ). Those hotels with the accreditation were more likely to have overall dedicated funding and those with funding were much more likely to be Quality Employers. However, there was no relationship found between QEP and non-QEP hotels and the existence of a **separate budget** ( $X^2 = 1.937$ ,  $df = 1$ ,  $p = 0.284$ ), despite the fact that 73% of those with a separate budget were QEPs (Table 40).

Of particular interest to the researcher was the fact that another reason cited for introducing the QEP standard was that it was seen as an effective way of formalising the people management process through the introduction of more structured and organised HR procedures. All of the hotels citing this reason had just undergone or were currently undergoing a period of transformation and change fuelled by the expansion of their properties. This, in turn, according to the managers, called for the implementation of a more formal approach to people management and development. One such manager stated that the hotel now uses QEP as the basis for its HRD strategy on account of its providing a detailed structure and guidelines to follow. Thus, building on the findings of the questionnaire, it may be inferred that QEPs were more likely to demonstrate a more proactive and formal approach to HRD on account of their using the QEP manual as a structured framework guiding the HRD process.

### ***5.6.2 The Training & Development Process***

A chi-square test revealed that there was no relationship between QEP membership and the undertaking of a **HRD needs analysis** ( $X^2 = 1.246$ ,  $df = 1$ ,  $p = 0.368$ ). There was also no relationship found between the provision of **induction** and QEP membership ( $X^2 = 2.550$ ,  $df = 1$ ,  $p = 0.183$ ) and the adoption of a **multiskilling** policy and QEP status ( $X^2 = 0.222$ ,  $df = 1$ ,  $p = 0.746$ ).



A chi-square test was inconclusive regarding the relationship between QEP membership and the overall **delivery format of HRD** (Table 42). However, an unstructured, on-the-job approach was more widespread in non-QEPs (76% compared to 56%). QEPs were also more likely to have a dedicated in-house trainer than non-QEPs (27% versus 11%). In terms of the actual person delivering the training – the trainer – non-QEPs reported a marginally higher incidence of empowering internal staff to undertake this task (67%) compared to 54% of QEPs. Quality Employer hotels were also more likely to use a combination of internal and external trainers (39%) than non-QEPs (20%).

There was no relationship found between undertaking an **evaluation of the effectiveness of HRD** and QEP membership ( $X^2 = 0.714$ ,  $df = 1$ ,  $p = 0.525$ ). There was also no evidence of a relationship in terms of the methods chosen to evaluate HRD activity in both groups.

### ***5.6.3 Views on Training & Development***

A chi-square test revealed there to be no statistically significant relationship between QEP membership and any given **attitude to HRD** ( $X^2 = 1.088$ ,  $df = 1$ ,  $p = 0.456$ ). However, those who had the accreditation reported a higher incidence of more progressive and strategic attitudes (91%) compared to 84% of non-QEPs (Table 43).

A chi-square test revealed that QEP membership had no significant impact upon the perceived benefits of HRD reported. However, the results from the questionnaire revealed evidence that the top two overall **benefits of HRD**, which were that it “increases service quality” and “improves business performance”, were more likely to be cited by hotels with the Quality Employer accreditation (See Table 44). Those hotels that have been members of the Quality Employer Programme for a number of years currently use it more as a system of ensuring that the hotel operates within the legal regulations governing the employment relationship, rather than as a means of attracting staff. An owner-manager stated that the nature of the programme with its emphasis on structure and organisation of the HR effort was a great help to the

hotel because it acted as a benchmarking tool and a series of targets to be achieved:

You have the bible to which you can refer. And if you feel you're slipping or you feel that you're ignoring things a little bit, you just pull down the manual and remind yourself as to what you should be doing.

In line with these comments, other managers stated the following:

...I find it a very good reference and...it's a little bit like a whip behind us.

It's a way to make sure you have your T's crossed and your I's dotted.

Thus, these hotel managers wanted to ensure that their establishments were adhering to legal guidelines and 'doing things properly' in general and saw QEP as a vehicle for achieving this objective.

A number of salient findings arose from a comparison of QEPs and non-QEPs in terms of the principal factors inhibiting the provision of training and development [barriers to HRD] in their hotels. Primarily, a chi-square test revealed a statistically significant relationship between QEP membership and the barrier "lack of workforce interest" ( $X^2 = 4.952$ ,  $df = 1$ ,  $p = 0.037$ ) and also with "other barriers" ( $X^2 = 5.393$ ,  $df = 1$ ,  $p = 0.032$ ). Those hotels without the accreditation were more likely to report a lack of interest on the part of their staff as a barrier to the success of their HRD activity. This was reinforced by the fact that the vast majority of those reporting this barrier were non-QEPs (77%). In addition, a greater proportion of QEPs reported "other barriers", with 89% of those citing this factor having the accreditation. These "other barriers" included seasonality and the employment of seasonal staff, workforce composition (a small number of full-time staff) and a lack of time to organise and conduct training (See Table 45).

## **5.7 Best Practice HRD**

The interviews afforded the researcher the opportunity to explore the key concept of best practice HRD and, in particular, to investigate whether firm size was an inhibiting factor in the pursuit of this ideal state. In this way, the researcher was also able to explore both the relevance and applicability of

conventional best practice HRD in a small firm setting and specifically, to analyse how small firm best practice HRD might differ from that adopted in a larger context.

Primarily, one of the most salient findings was that there was a mutual consensus amongst a group of hotels as to the true nature of best practice HRD and what it involved. For this group, the pursuit of best practice HRD began, first and foremost, with a commitment to the ongoing training and development of staff. These hotels stated that the culture of the company must be HRD oriented, in that the management team should endeavour to create an environment conducive to learning. Secondly, they maintained that there must be open and continuous communication with staff on all issues relevant to the business. Finally, the managers remarked that there must be ongoing collaboration and a teamwork approach, in that employees and management must work together to manage the HRD process. The existence of this type of climate within the organisation invariably translated into excellent standards of customer service. Generally speaking, the managers' understanding of best practice HRD was inextricably linked to the provision of outstanding customer service, with the majority of them stating that the ultimate aim of any best practice programme should be to improve service standards. The pursuit of best practice HRD was therefore closely linked to the shared philosophy of continuous improvement amongst the hotels.

Analysis of the interview data revealed that the adoption of best practice HRD in small hotels encompassed the ability to capitalise on the invariably informal nature of training and development in small enterprises. As one General Manager remarked:

I think it has to be driven on an informal basis and you have to look at how you can actually set up the best system on an informal level.

The managers were also asked to identify an ideal form of HRD for their hotel, were there no constraints on adoption. The most important finding in this regard was that although the managers expressed a desire for the planning and organisation of HRD to be of a more formal and structured nature akin to conventional best practice HRD, this did not translate into the desired delivery

and implementation format. Indeed, the managers stressed the importance of maintaining a balanced approach – a “happy medium” – incorporating both formal and informal elements, which enabled them to be more flexible and which was also congruent with the ad-hoc and emergent manner in which they operated. This in turn highlighted the main differences between small firm best practice HRD and that adopted in a larger business. The principal difference found was the fact that smaller properties were unlikely to have a dedicated HR department and HR manager, with the result that the organisation and administrative aspect of HRD management was more ad-hoc and informal, being shared amongst numerous individuals. However, the managers contended that they were not at a disadvantage in this regard. In actual fact, they considered their small size to be a unique advantage, enabling them to tailor and personalise their products and services to meet customer needs. This in turn enabled them to design and target HRD interventions specifically to improve service quality. Moreover, the managers remarked that regardless of the size of the hotel, customers expect the same standards of service and thus, they not only had to compete with their larger rivals, but had to surpass them.

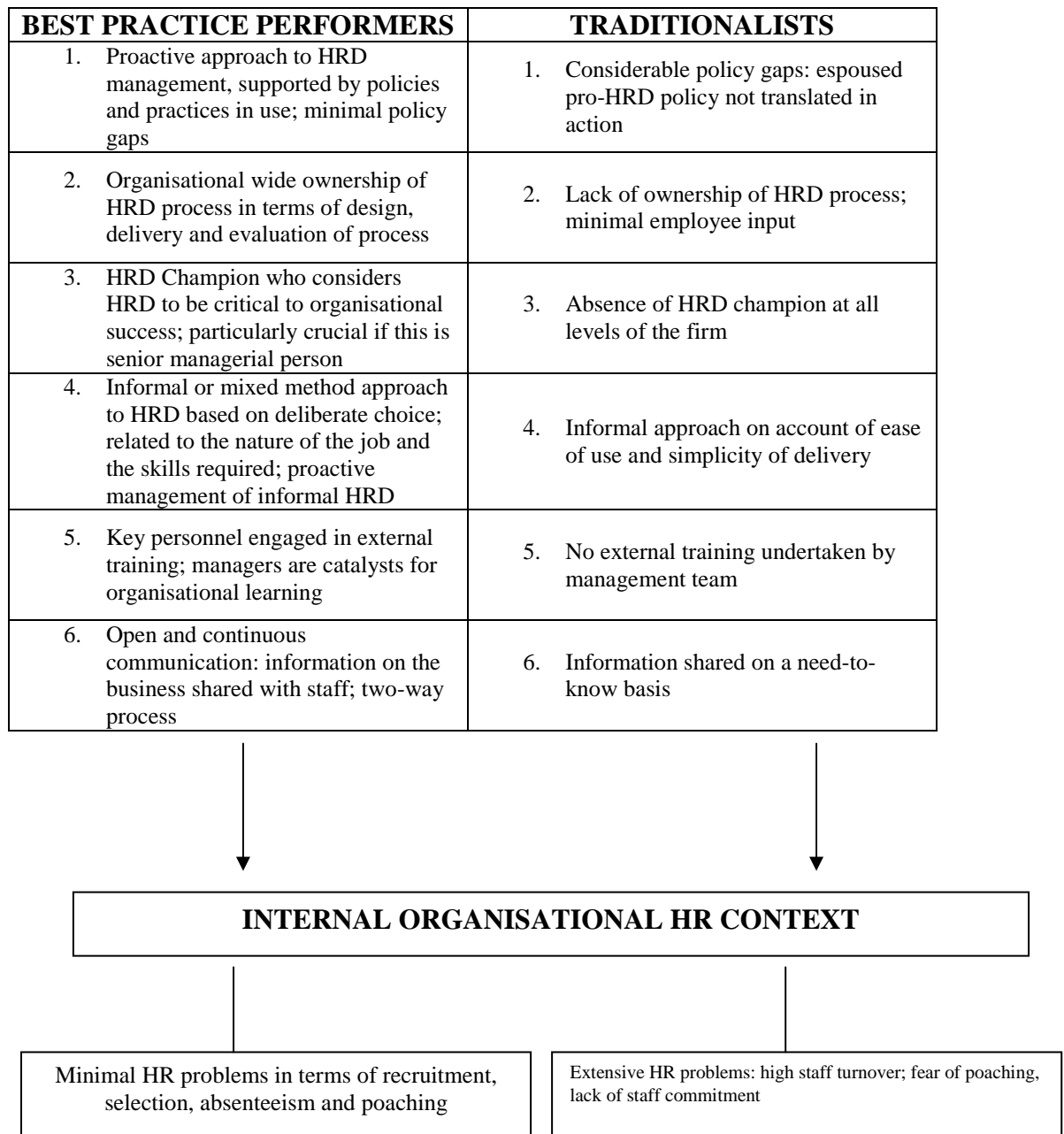
Finally, the respondents were asked whether they were familiar with CERT's Best Practice Programme and also with the national standard for HRD, Excellence Through People (ETP). Familiarity with both initiatives was widespread, however, involvement in either programme was virtually absent. Indeed, the majority of the managers interviewed stated that although they had received information from CERT, it had been filed and forgotten about, principally on account of the dearth of information given, which they did not have time to read. This was a common occurrence amongst the interview sample, with some of the managers also adding that the relevance for smaller properties was not emphasised in these mail shots.

## **5.8 Conclusion**

This chapter has presented a thorough overview of the study's main findings. The findings indicate that the background of the person responsible for HRD is perhaps the most significant variable which affects the HRD provision of small hotels. This is particularly the case when this is most senior managerial person

within the firm. The findings also indicate that the nature of the approach taken to HRD, i.e. formal and structured or informal and unstructured, is largely a matter of choice for the individual hotel. Rather than being obliged to operate formally or informally, firms make a conscious choice as to format most suited to their particular needs. Most importantly, however, the chapter has shown that whilst the actual HRD practices of small firms may be highly idiosyncratic, there are distinct clusters of firms that share common traits when it comes to HRD, as illustrated in Figure 5.1 below.

**Figure 5.1 Facilitating & Inhibiting Factors Governing the Adoption of Best Practice HRD in Hotel Studied**



## **CHAPTER 6:**

### **ANALYSIS & DISCUSSION**

#### **6.1    Introduction**

The purpose of the following chapter is to outline and discuss the implications of the research findings, bearing in mind the prevailing body of knowledge as documented within the review of the extant literature. To this end, the chapter fulfils an important function, acting as the vital link between the findings of the work and the author's conclusions and recommendations as advanced in the final chapter.

#### **6.2    The Nature of HRD in Small Firms**

The research findings presented in the preceding chapter clearly illustrate that the unique characteristics of small firms, as discussed in the literature review, play a critical role in shaping and influencing the nature of HRD in these businesses (Anderson and Boocock, 2002). In particular, issues surrounding uncertainty, the management process itself and the influence of the owner-manager and/or key-decision-makers emerged as prominent factors.

##### ***6.2.1    The Influence of Uncertainty on HRD***

To begin with, the small properties surveyed were operating in highly uncertain and changeable business environments, in which planning for more than a short period of time into the future, appeared to many managers to be either impossible or impractical (Keogh and Stewart, 2001). The study would therefore appear to provide additional support for the concept of uncertainty as outlined by Storey (1994), Wynarczyk et al (1993) and Westhead and Storey (1996) and hence the implications this has for the management of HRD (Kerr and McDougall, 1999; Smith and Whittaker, 1998). In the face of such uncertainty, the hoteliers invariably responded by adopting a short-term, flexible and informal approach to the management of their businesses, which subsequently extended to the management of HRD. Cash-flow concerns were also often found to be frequently top of the managerial agenda as noted by Ritchie (1993) and Hendry et al (1995). Thus, the firms within the sample reflected many of the characteristics associated with the emergent strategy

approach to management, as discussed by Marlow (2000), Leavy, (2000), Curran (1996) and O’Gorman (2000). On first appraisal, this would appear to justify Hill’s (2001) suggestion that an informal approach within SMEs is prevalent, principally because these organisations are enforced to operate in this manner as a means of coping with the ever-changing external environment. However, a closer inspection of the findings reveals that within the best practice performers, there was much formality in the management of HRD evident alongside an informal approach. This dualistic style was regarded as the optimum way in which to manage the business. In addition, it was clear from the interview findings that should they so have wished, the managers could easily have implemented a more formal style. To this end, the researcher argues that informality was not enforced upon the hotels studied, but rather that it was a chosen value, a conscious and deliberate choice based upon business needs and priorities. In this way, the findings concur with those of Matlay (2002b), Anderson and Boocock (2002) and Dale and Bell (1999) that formal and informal approaches to HRD within small firms are used interchangeably and in a complementary fashion, each facilitating the other.

Another characteristic of uncertainty is that small firms tend to rely on a small number of key customers (Burns, 1996). However, the interviewees considered this to be to their advantage as it enabled them to personalise products and services towards satisfying the needs of these key customers. Hence, as noted by Down (1999), Walton (1999) and O’Dwyer and Ryan (2000), HRD interventions were frequently designed and specifically targeted in this regard.

### ***6.2.2 The Management Process & HRD***

The findings from the questionnaire were consistent with those of Glancey (1998), Culkin and Smith (2000), Wyer and Mason (1999) and Holliday (1995) in that the most senior managerial person within the firm was identified as the principal decision-maker, inclusive of issues related to HRD. However, the results from the interviews painted a somewhat different picture: it transpired that, in practice, senior managers were much more likely to delegate the decision-making process, particularly when it came to HRM and HRD. As



with the findings of Marlow (2000), line managers and HoDs – key personnel – had considerable input into the HRD process. Quite often, the management team as a whole shared the responsibility for HRD. Consequently, the author's findings would appear to refute the contention that the small firm proprietor/senior manager takes sole responsibility for HRD (Matlay, 2002a, b; Johnson and Gubbins; 1992; MacMahon and Murphy, 1999). Some of the more progressive hotels (the best practice performers) also made a deliberate decision to integrate the views of employees into the management of HRD. Thus, the findings would appear to support the work of Wognum (1998), Harrison (2000) and McCracken and Wallace (2000b), who advocate the holistic, organisational-wide management of HRD through the creation of strategic partnerships and the integration of stakeholder interests. Moreover, in cases where the sole responsibility for HRD rested in the hands of the senior manager it should be noted that this was not due to a reluctance to delegate responsibility and decision-making but rather a result of circumstance. In other words, some hotels simply did not employ any other managers on account of not having a need to do so, principally due to their small size. Similarly, in the case where there was no personnel/HR manager, the hotels said that they were just too small to justify the appointment of such a person and so the responsibility was shared in such cases (Smith and Whittaker, 1998; Vickerstaff and Parker, 1995; Matlay, 2002b). Somewhat contrary to the literature, a considerable number of managers had undergone specific training for their role as trainers. This finding would therefore appear to contradict the view of Vickerstaff (1992b) and Goldsmith et al (1997) that managers in small business are not trained for their role as trainers. Almost 20% of the properties stated that HRD was delivered by an in-house trainer, while the interview data revealed that managerial attendance at HR-related courses conducted by CERT, for example, was not uncommon.

Generally speaking, senior personnel were seen to be involved on a regular basis but tended to avoid getting drawn into the detail of HRD. Instead, they saw themselves as being there primarily to offer advice, support and assistance to other managers – key personnel – in their role as trainers. They also frequently undertook principal responsibility for the administrative aspect of

training. The key roles of HRD staff, as identified by Nadler and Nadler (1989), McCracken and Wallace (2000a) and Harrison (2000), were therefore found to be of considerable importance. Within the hotels, a number of systems and procedures had been put in place to provide support for those key personnel involved with training. These were often found in the form of lists of actions to be completed, checklists or SOPs. Such systems therefore guided instruction and on-the-job training (OJT), enabling managers to make sure that everything was covered and signed off. In this way, some of the problems associated with the 'Sitting-by-Nellie' approach, so prevalent in the hotels studied, were offset. However, no one gave the impression of finding such systems over-bureaucratic. This would appear to provide yet more support for the view that formal and informal approaches to HRD in small businesses are highly integrated and used in a collaborative fashion, as discussed above.

As observed in Chapter Three, the coalescence of ownership and management tends to result in distinctive patterns of managerial and organisational behaviour within small businesses (Fournier and Lightfoot, 1997). A lack of clear differentiation between the various managerial functions, as described by Goss and Jones (1992), was noticeably evident within the hotels studied, with comments about HRD frequently linked into discussions about the general running of the property. A corollary of this was that there was no distinction made between the daily management of the hotel and the management of HRD. Hence, decisions pertaining to HRD were intertwined and embedded within decisions concerning the overall running of the business, as documented by Grant et al (2001). As a consequence, HRD interventions formed an integral part of everyday working practices and routines (Kerr and McDougall, 1999) and thereby were frequently indistinguishable from them (Kitching and Blackburn, 2002; Hill, 2001).

### ***6.2.3 Influence of Key Decision-Makers on HRD***

In line with the literature, the influence of key decision-makers was found to be the most critical issue impacting upon HRD practice in the small firms studied (Anderson and Boocock, 2002; Dale and Bell, 1999). This influence was manifested in a number of ways, for example, in the nature of the HRD

interventions taking place, the implementation of HRD policies and plans at ground level and in the prevailing attitude to HRD within the organisation. Each of these issues is now discussed in turn.

As stated in Chapter Five, there was a distinct dichotomy between two groups of properties, termed best practice performers and traditionalists, in terms of how they perceived HRD. Within the best practice performers, key decision-makers held uncompromising views about the importance of HRD for their employees. They were actively involved in supporting learning and its application, were prepared to admit to their own needs and were seen to engage in learning themselves. Importantly, these values, attitudes and beliefs were not held merely as philosophical principles. Moreover, the policies were tightly linked to business concerns (again related to the notion that HRD decisions were taken in context and reflective of business needs and priorities), in relation to quality management and operational improvement. The strength of their commitment was visible in their actions and published documents, such as policy or mission statements, posters and customer standards. In other words, these key decision-makers were champions of HRD (Smith and Whittaker, 1998). Therefore, a determination to support, change and improve practice through HRD formed a vital part of the culture of best practice performers.

The findings highlight the fact that while many hotels have no set accounting structure governing their HRD expenditure (43% stated they provide OJT instead of having a budget), this does not correspond to apathy towards training. On the contrary, the vast majority expressed the view that training is an integral, and long-term, aspect of their firm's growth and development. This view was reflected by, and evident in, the manner in which HRD was managed. In the best practice performers all decisions pertaining to HRD were highly integrated with, and reflective of, the needs and priorities of the business, with HRD concerns also frequently positioned at the top of the strategic agenda. Within the traditionalists group, however, the researcher found considerable support for Mullins (1998) and Maher and Stafford's (2000) contention that within the hospitality industry, HR matters frequently take lower priority to other issues. Moreover, there was significant support

found amongst the traditionalists group for the notion that many companies are merely paying lip service to the importance of people and their development, as argued by Guest and Baron (2000) and Davenport (1999).

Chapter Five highlighted the fact that gaps between the espoused importance attributed to HRD and the realities of HRD practice – policy gaps – were a distinguishing feature of the traditionalists group. As documented by Lucas (1995), Forrest (1990) and Wood (1992), the traditionalists were unwittingly and unknowingly, pursuing policies, and behaving in ways, that were hampering the development of staff. Thus, there is much support for view that managerial behaviour may be the underlying or root cause of many of the industry's current HR problems (Mullins, 1998; MacMahon and Murphy, 1999), such as recruitment, turnover, absenteeism and lack of staff commitment, as all of the traditionalists were experiencing these problems, whilst in direct contrast, the best practice performers were not. There is, therefore, unequivocal evidence for Stanworth et al's (1992) contention that the espoused commitment to HRD is frequently an empty statement, not backed up by practice in small firms (see also Marlow, 2000; Lane, 1994; Loan-Clarke et al, 1999).

In line with the work of Storey (1994), Hill and Stewart (2000), Smith and Whittaker (1998) and O'Dwyer and Ryan (2000), the results of the study indicate that the nature of the HRD interventions taking place in small firms are largely determined by the career background and experiences of key decision-makers. Of those managers who had undergone professional training and had experienced more formal means of HRD, there was a distinct penchant for training and development to be a highly structured and organised process (Hendry et al, 1995; Lane, 1994). On the other hand, those who had developed their skills through an apprenticeship system or the like cited this as their preferred *modus operandi*. Despite this, whatever preference was cited, the managers ultimately remarked that maintaining a balanced approach, incorporating both formal and informal elements, was the optimum way in which to deliver HRD. A 'happy medium' approach was regarded as important on account of it enabling the firms to retain an element of flexibility.

It was also deemed to be more congruent with the emergent manner in which they operated.

Finally, it must be noted that there was considerable variation between the hotels surveyed when it came to HRD, thereby giving credence to the highly idiosyncratic and diverse nature of small firm HRD as documented by Lane (1994), Brand and Bax (2002), Bacon et al (1998), Dundon et al (1999) and Julien (1998). Ultimately, as observed by Hill (2001), the nature of HRD in small firms is undoubtedly unique to each particular organisation and thus may be described as 'individualistic'.

### **6.3 Perspectives on HRD: Barriers & Benefits**

In contrast to much of the literature pertaining to HRD in small firms, neither the lack of time to provide training (Marshall et al, 1995; Wong et al, 1997; Marlow, 1998; Vickerstaff and Parker, 1995) nor the risk of trained employees leaving the business (Storey, 1994; Hankinson, 1994; Abbott, 1994) emerged as critical factors inhibiting training provision within the hotels studied. Indeed, issues such as difficulties in finding replacements for staff attending training (Vickerstaff, 1992b; Johnson and Gubbins, 1992) and the accessibility of external training, particularly in terms of its location (Beeton and Graetz, 2001), were found to have a much greater impact. In addition, the researcher uncovered evidence to suggest that hoteliers would actively undertake more formal, external training were such programmes and initiatives available in their local geographical area.

In line with prior studies (Westhead and Storey, 1996, 1997; Loan-Clarke et al, 1999), the costs of providing training were found to be a significant inhibitor to HRD provision. In this regard, however, it must be acknowledged that the respondents perceived the financing of training almost exclusively in external terms, with the resultant implication being that costs may be considered as a barrier to formal, external training only. The citing of this barrier did not appear to extend to informal OJT, which in contrast, was deemed to be very cost effective (van der Klink and Streumer, 2002).

The crucial link between service quality and employee performance as observed by Kadampully (1999), Tracey and Nathan (2002) and Mullins (1998), to name but a few, was widely appreciated by the hotels in the sample. The managers interviewed perceived the success of their businesses, and by implication training, as a direct consequence of the extent to which customers were satisfied with the products and services they received. This was reflected by the top two benefits of HRD identified on the questionnaire: that HRD improves performance and enhances service standards. It was also evident by the manner in which training was evaluated, with customer feedback cited as the only real litmus test of assessing HRD effectiveness. Relatedly, the positive HR outcomes seen to derive from HRD, in particular that it enhances employee commitment, (Davies et al, 2001; Roehl and Swerdlow, 1999) were also prevalent. In contrast to prior expectations, the motivation to initiate training was not often linked to the achievement of short-term objectives or to solve immediate work-related problems such as responding to a specific skills gap or the installation of new equipment (Vickerstaff, 1992a; Hill and Stewart, 2000; Smith et al, 2002; Buick and Muthu, 1997; Harris and Cannon, 1995). Indeed, a proactive approach to the management of HRD was widespread, particularly within the best practice performers, with these properties recognising the important link between organisational success and the long-term development of the workforce.

#### **6.4 Informal HRD & Tacit Knowledge**

Overall, there was considerable support found for the contention that small firm HRD is essentially unplanned (in the conventional sense) and predominated by informal interventions as suggested by Curran et al (1997), Vickerstaff and Parker (1995), Vickerstaff (1992b), Joyce et al (1995), Lane (1994) and Matlay (2002a, b), among others. However, the author does not share the implied view that such characteristics correspond to inferiority or lack of sophistication. The contention that simplicity in organisation and delivery need not equate to inadequacy is echoed by a considerable number of commentators including Walton (1999), Westhead and Storey (1997), Harrison (2000), Hill and Stewart (2000) and Hill (2001), to name but a few. On the contrary, an informal, on-the-job approach was regarded by all respondents as

being of critical importance, with virtually every manager interviewed citing it as the only real way through which to learn valuable customer service skills (Abbott, 1994). Indeed, the prevailing approach to HRD in the hotels studied, which in many cases was informal, was designed to meet their unique needs and principally chosen based on the nature of the work undertaken and the skills required. Thus, the findings support those of Marlow (2000), who also contends that the use of informal OJT does not denote a negative attitude to HRD. Furthermore, authors such as Cannell (1996) and Harrison (2000) purport that the semi- or unskilled nature of much hospitality work necessitates such an approach. To this end, the author concurs with Westhead and Storey's (1997) view that there is no conclusive evidence to suggest that informal training is inherently inferior. Indeed, the findings were highly supportive of Curran et al (1997) in their evaluation of the importance of informal, OJT for small businesses, particularly that it can be integrated into everyday work activities, involving little or no disruption. As Kitching and Blackburn (2002) note, that small firms provide little or no formal training does not mean that their workforces are poorly trained or lack the appropriate skills. On the contrary, there was much evidence to suggest that an informal approach was enabling the hotels to excel and indeed outperform their larger competitors. Thus, on account of the very nature of HRD in small firms, the related concepts of tacit knowledge and tacit skills are central to understanding and analysing the HRD process of these businesses. The author therefore concurs with Hill and Stewart (2000), Hill (2002) and Anderson and Boocock (2002) in this regard.

Despite the prevalence of informality within the small hotels, it emerged that HRD interventions for managers were almost exclusively formal and delivered by external personnel. Thus, the findings were consistent with those of Beeton and Graetz (2001), Marlow (2000) and Abbott (1994), who report that managerial skills are best developed through external courses and study. Perhaps the most significant finding in this regard was the fact that managers acted as the catalysts for organisational learning within their respective properties. In this way, the hotels used their managers to make external training, which was seen as too general to meet their unique needs, more

relevant and firm specific. To this end, the author believes that the notion of the small firm 'context', as outlined by Daley and Hamilton (2000), is critical in explaining both the relative absence of formality in HRD and the predominance of informality in small businesses. Compatibility and congruence with the firm context may therefore be said to be a key feature of informal HRD, with the antithesis being characteristic of formal HRD.

#### **6.4.1 *Hotel Size & HRD***

It is difficult to state with any degree of certainty whether hotel size is a significant variable in explaining company behaviour towards HRD. Many of the statistical tests undertaken to investigate the relationship between firm size and HRD proved to be inconclusive due to insufficient data being available. A wealth of studies demonstrate that there is a positive relationship between firm size and the provision of training and development (Loan-Clarke et al, 1999; Storey and Westhead, 1997; Westhead and Storey, 1997). It must be remembered, however, that the focus of these studies has been on the provision of formal structured HRD. It is therefore vital to consider this issue in context. As discussed, formal HRD is unlikely to be found in small firms because it is inherently unsuitable to the fundamental nature of the way these businesses operate. Thus, the defining of HRD in purely formal terms will invariably lead to an underestimation of the training provided by small businesses.

#### **6.5 Ancillary Issues**

There were a number of other pertinent issues arising from the study that the researcher deemed to be important to consider when analysing the findings.

##### **6.5.1 *The Importance of Induction***

In their study of employment conditions within small firms, Atkinson and Meager (1994) found induction to be one of the most common HRD activities, particularly in terms of the acclimatisation of new staff into the working culture of the organisation – “our way of doing things around here” (ibid: 85). The findings of the current study clearly provide further support for this contention. In addition, evidence from the study suggests that induction is comprised of two distinct phases, the first of which involves a socialisation period as hitherto



described. This is followed by a more intensive training phase, which focuses on developing the technical competence required by new staff to perform their work roles effectively.

### **6.5.2 *Quality Employer Programme***

The findings from the study indicate the Quality Employer Programme, which is designed to assist hotels to adopt and maintain excellent people management standards, is not achieving its goals. A number of hotels with the accreditation were not adhering to the programme guidelines, a fact that was borne out by both the questionnaire and the interviews. Moreover, there were no significant differences found between those properties that were and were not QEP accredited, indicating that the programme does not distinguish ‘the good from the bad’. As a consequence, the award did not appear to be widely valued by hoteliers. Larger properties were more likely to be QEP accredited, however, this was principally as a result of an increase in the size of the hotel, in terms of the workforce and the establishment itself. The notion of the formalisation threshold, as advanced by Atkinson and Meager (1994), whereby greater complexity of an organisation requires a shift from informal to formal procedures, proved to be particularly significant in this case.

## **6.6 Best Practice HRD in the Small Hotel**

The main purpose of this part of the chapter is to consider what features of the synthesised model of best practice HRD, if any, were evident in the small hotels studied, thereby assisting in the resolution of the study’s principal research question as to the applicability and relevance of conventional best practice HRD in a small firm context. In order to facilitate this process, a detailed summary of the evidence of the features of the synthesised model of best practice HRD found in the hotels studied is presented in Figure 6.1.

On first appraisal, Figure 6.1 would appear to suggest that the nature of small firm HRD and its unique features mitigate against the application of textbook approaches to the activity, as argued by Smith et al (2002), Kerr and McDougall (1999) and Vickerstaff (1992b). However, upon closer examination it is clear that this applies solely to the more measurable and

tangible aspects of the model and, most importantly, not to the philosophy behind it. Hence, the author must disagree with the view of Hill and Stewart (1999) that the nature of HRD in small firms places them at philosophical odds with conventional best practice HRD theory. Undoubtedly, many of the features of the conventional model have time, resource and structural implications that are more relevant and applicable to large organisations. However, the author argues that the more intangible and culturally based features of the synthesised model are appropriate to all firms, regardless of size or sector. To this end, the author echoes the contention of Goss et al (1994) that any attempt to improve the HRD practice of small firms must deal realistically and sensibly with their specific needs and dynamics.

Certain aspects of the synthesised conventional model ignore the unique dynamics and features of small businesses, particularly their preference for operating informally. Hence, there is a fundamental requirement for conventional best practice HRD theory to be broader and more embracing of informal and tacit means of development and learning. As Westhead and Storey (1996) note, theories relating to small businesses must consider their particular concerns and recognise that they differ significantly to their larger counterparts.

Bearing in mind the above discussion, the author concurs wholeheartedly with the view of Fitz-enz (1993, 1997a,b) that best practice is some much more fundamental, found deep inside the very fabric of an organisation. Thus, it is the culture of the organisation; its values, attitudes and beliefs that constitute the true best HRD practice and not some visible action, program, process or policy.

**Figure 6.1 Evidence of the Conventional Best Practice HRD Synthesised Model in the Hotels Studied**

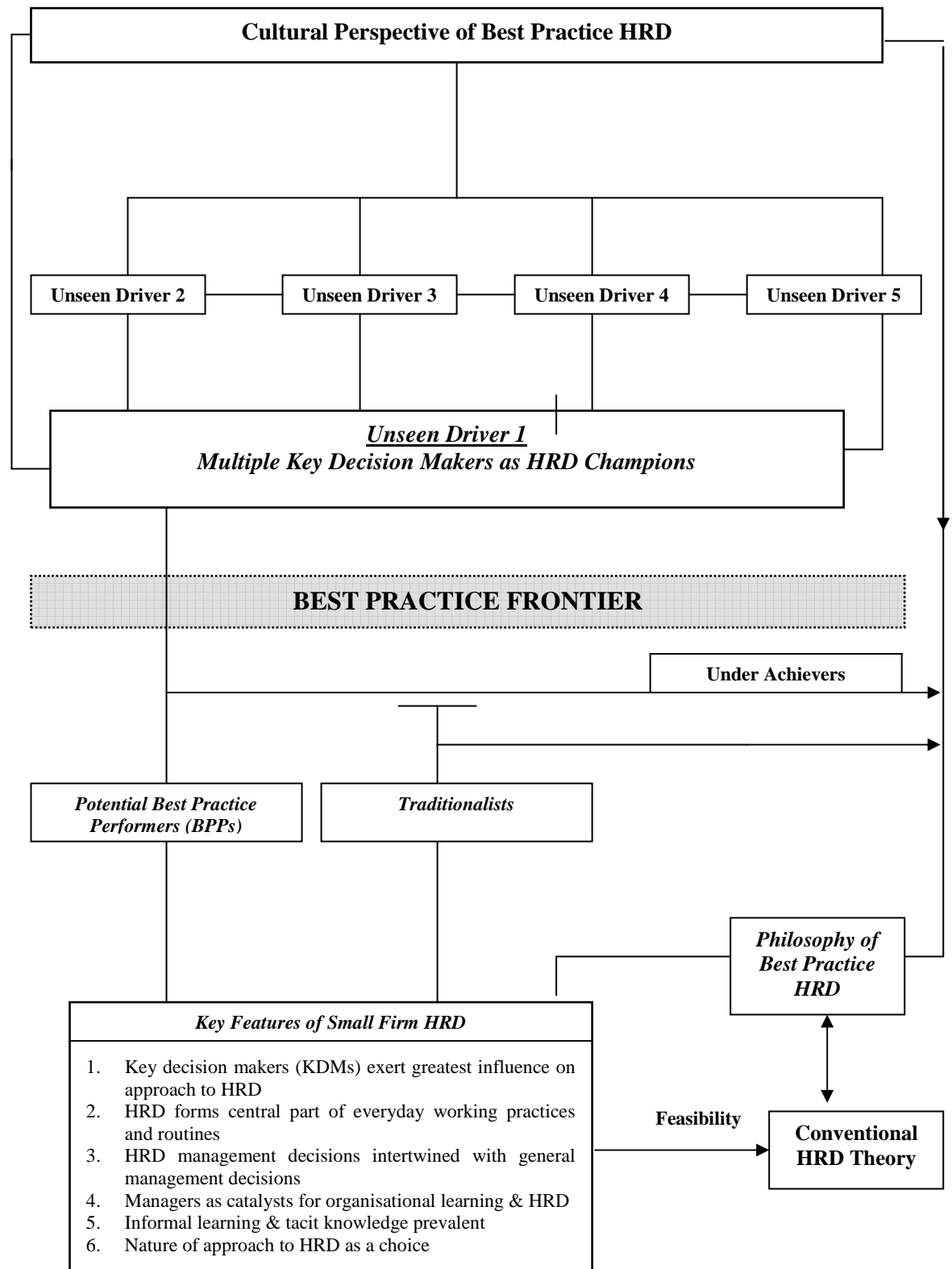
<i><b>PRINCIPLE 1: COMMITMENT</b></i>	
<b>SMALL FIRM MODEL</b>	<b>BEST PRACTICE HRD MODEL</b>
<ul style="list-style-type: none"> <li>• Key decision-makers are committed to HRD</li> <li>• Influence of key decision-makers is more pervasive if senior manager/proprietor has principal responsibility for HRD</li> <li>• Minimal/limited evidence of written policy statements about importance of HRD. Importance of HRD implicit in discourse &amp; actions/behaviour of key decision-makers</li> <li>• HR concerns top of strategic agenda</li> <li>• HRD seen as crucial to success &amp; survival of business</li> </ul>	Commitment to and support for HRD is led by top management and communicated to all employees
	HRD champions at senior level
	Written statements about the importance of HRD are evident
<i><b>PRINCIPLE 2: PLANNING &amp; ORGANISATION</b></i>	
<b>SMALL FIRM MODEL</b>	<b>BEST PRACTICE HRD MODEL</b>
<ul style="list-style-type: none"> <li>• Evidence of organisational-wide ownership of HRD process, including significant employee input</li> <li>• HRD interventions designed &amp; targeted to meet key customers' changing needs</li> <li>• Discussion &amp; dialogue amongst key decision-makers through regular meetings with HRD impact assessed/determined</li> <li>• Minimal/limited evidence of written plans. However, written SOPs &amp; action plans guided HRD</li> <li>• Clear goals for HRD established &amp; course of action to achieve goals</li> <li>• HRD linked to performance appraisal process</li> </ul>	Shared ownership of and responsibility for the HRD function through the creation of strategic partnerships between senior management, line management, HRD staff and employees
	Awareness of the implications of external influences for HRD through continuous environmental scanning
	Formal and structured approach to HRD planning (written) and HRD strategy
	Integration of HRD with other domains of HRM by means of an overall HR strategy, which in turn, is closely integrated with corporate strategy

<b>PRINCIPLE 3: ACTION &amp; IMPLEMENTATION</b>	
<b>SMALL FIRM MODEL</b>	<b>BEST PRACTICE HRD MODEL</b>
<ul style="list-style-type: none"> <li>• ‘Training for trainers’ or equivalent courses undertaken by key decision-makers</li> <li>• Key decision-makers actively engaged in learning &amp; are therefore regarded as catalysts for organisational learning</li> <li>• Importance of HR tightly linked to business concerns with HRD decisions reflective of business needs &amp; priorities</li> <li>• Induction as integral part of HRD process</li> <li>• Minimal/limited evidence of employee HRD linked to external qualifications</li> <li>• All managerial HRD linked to external qualifications</li> <li>• HRD interventions mainly informal &amp; thus fit with everyday working practices &amp; routines: everyday is a learning day</li> <li>• Formal &amp; Informal approaches to HRD are highly integrated and complimentary</li> <li>• Roles of key decision-makers: consultant, facilitator, manager, innovator, change agent, team builder &amp; administrator</li> </ul>	Managers have suitable knowledge and expertise to carry out training and development
	New employees and those new to a job receive comprehensive and effective induction training
	Training and development is linked to relevant external qualifications where appropriate
	Cultural fit
	Creation of a learning culture
	Roles of HRD staff: change agent, innovator, consultant, manager, facilitator and team builder
<b>PRINCIPLE 4: EVALUATION</b>	
<b>SMALL FIRM MODEL</b>	<b>BEST PRACTICE HRD MODEL</b>
<ul style="list-style-type: none"> <li>• Minimal/limited evidence of methodical &amp; structured approach to evaluation of HRD effectiveness</li> <li>• Deliberate &amp; conscious effort to determine HRD effectiveness on regular basis through being ‘on the shop floor’ underpinned by regular dialogue between management, staff &amp; customers</li> <li>• Monitoring progress &amp; being able to deal with issues in real time seen as key strength</li> <li>• Top three benefits of HRD identified: improves performance; increases service quality &amp; enhances employee commitment</li> <li>• Recognition that HRD feeds into process of being more receptive to customer needs</li> <li>• Continuous improvements to performance through product/service enhancements</li> </ul>	Structured and rigorous approach to evaluation using objective criteria
	Senior management understands the broad costs and benefits of HRD
	Impact of the contribution of HRD in meeting business goals is assessed
	Improvements to HRD activities are identified and implemented
	Performance improvements are evident

## **6.7 Theory Development**

This penultimate section marks the presentation of the theory developed throughout the study, which is illustrated below in Figure 6.2, ‘A Theory of Best Practice HRD in Small Hospitality Firms’, and Figure 6.3, ‘Unseen Drivers of HRD’. There is a dualistic aspect to the models, in the sense that they are both analytical and prescriptive (Easterby-Smith et al, 1998). On one hand, the models seek to *describe* the HRD processes of small firms, and are thus analytic, whilst on the other, they are built on and directed toward a normative state of how HRD *should* function in small organisations, and in this manner are prescriptive. In particular, Figure 6.2 illustrates one of the key findings of the study: that there are distinct clusters of firms that share common cultural traits when it comes to HRD. What group a given firm belongs to (Best Practice Performers or Traditionalists) is dependent upon the existence of a number of unseen drivers, embedded within the culture of the organisation (Figure 6.3).

**Figure 6.2 A Theory of Best Practice HRD in Small Hospitality Firms**



**Figure 6.3 Unseen Drivers of Best Practice HRD**

**1. Multiple Key Decision Makers as HRD Champions**

- Level 1 Champions: Senior managers act as *gatekeepers*. They lead the company and its commitment to HRD. Gatekeepers set the vision, mobilise performance and create champions at lower levels.
- Level 2 Champions: Key personnel act as *sponsors*. They actively support HRD and translate the vision and values of gatekeepers into concrete, implementable plans. Frequently are catalysts for organisational HRD. Seen as key figures in the HRD process, acting as intermediaries between gatekeepers and front-line employees.
- Level 3 Champions: Employees themselves play a key role in their own development. This means that top-down and bottom-up initiatives are possible.

**2. Shared Ownership of HRD; Collaboration in HRD Management**

- There is a high level of co-operation and involvement in HRD by all organisational members. Strategic partnerships in HRD management are created, whereby all stakeholder interests are integrated.

**3. Open Communication Climate**

- Information on the business is readily accessible. There is active dissemination of business-related information to all stakeholders.

**4. Systems Perspective**

- Strong focus on how parts of the organisation are interdependent. HRD activities are obscured within daily routines with learning actively occurring as a result of the social nature of work.
- Recognition by key decision makers of the powerful influence of managerial behaviour, prompting consistency in HRD policy and practice.

**5. Key Values Embraced**

- The key values of informality and tacit means of learning are embraced by key decision makers. Importance of tacit knowledge and skills in customer service environment communicated to all stakeholders.
- Proactive approach taken to making in-house training more effective and efficient.

**6.8 Conclusion**

Throughout this penultimate chapter, the author has compared and contrasted the findings of the work to that of the extant literature. Primarily, the author considered how the key features of small firms impacts upon their HRD practice. The influence of key decision-makers, in particular, emerged as one of the study's most critical, and indeed pervasive, findings. This influence was evident at both a strategic and an operational level within the firms studied. The management style of the establishments was predominantly informal and flexible. However, this was a deliberately chosen value of the hotels, based

upon an analysis of the business environment, and not a mechanism for coping with change and complexity in the marketplace. Interestingly, some of the findings pertaining to the main barriers to HRD within small businesses were in direct contrast to that of the literature, specifically that relating to a lack of time to undertake training and the fear of trained employees being poached.

Akin to the informal nature of business management within the small firm was the management of HRD. Importantly, however, informality did not equate to inferiority or inadequacy. On the contrary, an informal, on-the-job approach was regarded by all the hoteliers as being the only real way to learn customer service skills. Thus, the concepts of informal HRD and tacit knowledge clearly hold the key to understanding and analysing HRD in small organisations.

The chapter evaluated the evidence pertaining to the existence of features of conventional best practice HRD in the small hotels studied. In this regard, the researcher concludes that a culturally based perspective on best practice HRD, such as that proffered by Fitz-enz (1997a, b), is perhaps the most effective way of viewing the concept. This enabled the research to develop a theory about HRD in small hospitality firms as illustrated in Figures 6.2 and 6.3. These models are discussed in greater detail in the context of the final chapter.



## **CHAPTER 7:**

### **CONCLUSIONS & RECOMMENDATIONS**

#### **7.1    Introduction**

The purpose of this final chapter is to draw together and describe the project's main conclusions and recommendations and to suggest some areas for further research. In addition, the author considers the new insights that the work has brought to the body of knowledge on small firm HRD and evaluates what the study has accomplished in terms of theoretical and practical outcomes and contributions.

In today's business environment, there is perhaps no managerial task more vital and demanding than the management of training and development. In the face of heightened complexity and turbulent market conditions, building a competitive advantage within the hospitality sector requires recognition of the importance of human capital, especially in terms of an investment in its development. Moreover, given the growing economic importance of small businesses to modern economies, significantly more attention needs to be devoted to exploring issues of relevance and applicability of conventional management theory in a small business context, particularly that pertaining to human resource matters. Thus, in order to avoid the gap between theoretical and practical perspectives of best practice HRD, further empirical investigation within small firm is of paramount importance.

#### **7.2    Main Project Conclusions**

In this first section of the chapter, the principal conclusions stemming from the study are presented and discussed. Three such conclusions are advanced from the work, with each one relating to a research objective and a corresponding set of questions in order to facilitate interpretation and discussion.

##### **7.2.1   *Conclusion 1***

The project's first conclusion concerns the characteristics of small firm HRD and the reasoning behind why such businesses adopt the training and development approaches they do.

**HRD in small firms is highly individualistic. Interventions are principally informal and are embedded in everyday routines and working practices. However, informality in HRD management is a chosen value of small firms, based on an analysis of the job and the skills required. Therefore, informality and tacit means of training and learning are the key to understanding HRD within small firms and thus are also critical to promoting HRD in these firms. Small firm HRD practice is also largely driven by the attitudes and perspectives of key decision makers within the business.**

The study shows that HRD in small hotels matches much of its depiction in the literature. Primarily, the research highlights the individualistic nature of small firm HRD, with the fieldwork results revealing a considerable diversity of practice amongst the properties studied. Small firm HRD interventions are predominantly informal, taking place on-the-job, and thereby form an integral part of everyday routines and working practices. Therefore, it is helpful to think of small hotel HRD occurring or 'happening' as part of the holistic process of the delivery of the actual hospitality product itself. Similarly, the management of HRD, like small firm management in general, follows a more emergent pattern rather than a rational, structured and linear approach. The prevailing management style is informal, flexible, intuitive and short-term in orientation. However, many of the properties also exhibit much formality alongside their informal approach to HRD management, the extent/degree of which is dependent on the needs of the particular hotel. To this end, the author must conclude that informality is a chosen value of small firms rather than one of obligation. This is particularly evident in the case of training methods, where the level of formality or informality adopted is based on an analysis of the job itself and the skills required. On a more operational level, the study shows that the recruitment of a new member of staff is an important trigger for training in most small hotels. Induction training is essentially a two-phase process, involving an initial period of acculturation followed by a second phase that concentrates on the imparting of technical knowledge and skills. As observed within Chapter Six, the researcher is unable to make any firm conclusions about firm size as a determinant of HRD practice in small

organisations. However, the delegation of responsibility for HRD, the existence of separate funding for training and the evaluation of HRD effectiveness were all positively related to firm size.

Undoubtedly, the most pervasive influence on small firm HRD is that of key decision makers within the business, in particular senior managerial personnel. Small firm HRD practice is largely driven by the attitudes and perspectives of these individuals. Their career background and previous experience exerts a profound influence on the nature of the HRD interventions taking place, i.e. formal or informal, the implementation of HRD policies and plans and on the prevailing attitude to HRD within the organisation. Such senior managers perform a number of critical HRD roles and see themselves as being there primarily to offer advice, assistance and support to key personnel in their daily role as trainers. One of the most salient findings of the study concerns the fact that small business managers act as the catalysts for organisational learning, and hence HRD, in their organisations. The participation of managers in external training and learning was a common occurrence amongst the properties studied, with these managers in turn disseminating their newly acquired knowledge to other organisational members via more organic means.

Finally, of the most seminal findings of the work centres around the concepts of tacit knowledge and tacit skills. The results from the study clearly provide substantial support for the notion that small firm HRD is embedded in normal daily working routines and events. Thus, by its very nature, small firm HRD is 'invisible' or obscured. In turn, learning frequently occurs as a result of the interactions between organisational members and from the unique relationships that develop between co-workers, team-mates and superiors. Therefore, one can conclude that HRD in small firms is typified by a predominance of tacit knowledge and skills. Tacit skills clearly represent vital strategic assets for small businesses, particularly those in the hospitality sector. A customer service orientation demands an emphasis on perception, creativity and flexibility within social situations. Staff with the knowledge and ability to interpret these situations, adjusting service provision to meet customer needs and communicating the appropriate message, will enhance the hospitality

experience. These tacit skills therefore undoubtedly explain much of the high performance and excellent results achieved by those firms belonging to the best practice performers group. Thus, the key concepts of tacit knowledge and tacit skills, and the closely related notion of informal learning, hold the key to researching and understanding HRD in small hospitality organisations. Much of the academic community, however, does not appreciate the importance of tacit knowledge and the informality inherent in small firm HRD. Indeed, informality is often synonymous with inferiority. This study has shown that such criticism and negative perceptions are clearly not justified. Simplicity in organisation and delivery does not equate to inadequacy nor does it correspond to inferiority. The very nature of the work undertaken by hospitality businesses means that the development of tacit knowledge and skills through informal means of training and learning is critical for long term success.

#### ***7.2.2 Conclusion 2 & Conclusion 3***

The study's other main conclusions are discussed simultaneously due to the considerable degree of overlap between the issues raised.

**A major weakness of the best practice HRD knowledge base is its narrow perspective, which derives from its tendency toward a large company orientation focus. It fails substantially to fully encapture the informal nature of development processes and, in particular, with regard to its explicit ignorance of the idiosyncrasies of small firms.**

**Small firms are uncomfortable with the formality and structure inherent in conventional best practice HRD and hence should not be encouraged to implement this approach as it stands. However, the philosophy behind conventional theory *is* relevant and applicable to firms of all sizes. New developments within the field should therefore be based on small firm experience and distinct from that developed with large firms in mind. Small firms themselves should embrace their unique features, which in turn should provide the basis for the achievement of best practice status.**

The predominance of informality in the properties studied was not unexpected. It does, however, highlight the difficulty of attempting to apply mainstream or conventional best practice approaches to HRD in small organisations. The results from the study give credence to the author's contention that small firms rarely exhibit behaviour characteristic of best practice HRD in its conventional sense because they are uncomfortable with the high degree of formality and structure inherent in these approaches. This stands in direct contrast to the commonly held view that small firms frequently display a lack of interest, in or total disregard for, both the concept and philosophy of best practice. The origins of conventional best practice HRD lie in studies examining the experience of large companies. Consequently, academics, practitioners and policy makers alike should resist the temptation to impose such logic into a small business context. Clearly, it is unrealistic to encourage the smaller business toward an ideal form of HRD as depicted in the nature and form of exacting characteristics utilised as frames of reference within the synthesised model (Chapter 3 Page 65).

Conventional best practice HRD theory explicitly overlooks and ignores the idiosyncrasies of the small firm, which in turn exert considerable influence and unique pressures on the nature of HRD in these businesses. The softer aspects of organisational learning and HRD are obscured by conventional best practice HRD theory, as depicted in the synthesised model. Importantly, however, the unique nature of small firm HRD does not place these businesses at philosophical odds with the concept of best practice HRD. Indeed, it is unequivocal that the more intangible and culturally based features of the synthesised model, such as the shared ownership of HRD and the presence of a HRD champion, are applicable to all firms, regardless of size or sector. Therefore, conventional best practice HRD theory *is* relevant and applicable to small hotels in terms of the *philosophy* behind the concept. However, on a more operational level, the synthesised model has time, resource and structural implications more relevant to larger firms and thus may not be viable for smaller businesses. If conventional best practice HRD theory was broader in scope and more embracing of informal methods of training and learning, there

is a greater likelihood that it would be embraced by small and large organisations alike.

At this juncture, it is interesting to note that throughout the whole research process itself, as the theory evolved and increasingly more data was gathered, the guiding research question evolved, from not only one of questioning the feasibility of conventional best practice HRD theory in a small firm setting, but also to one of considering the more fundamental issue of whether small firms should actually strive to emulate their larger counterparts in the first place. Accordingly, the author concludes that these firms should not strive to be like larger businesses and try to embrace best practice theory in its conventional format, but rather they should embrace their own unique features, their informality and the tacit dimension to HRD, which in turn should provide the basis upon which to develop and build a unique best practice approach.

Earlier chapters have documented in detail the growing consensus among academics that it is important to develop theory on small firm HRD based on actual small firm experience. Thus, any new developments in best practice HRD theory should ideally be distinct from that developed with large firms in mind and should thus be broader in scope and more embracing of informality and tacit means of learning. It is therefore important for a small firm best practice HRD model to take into account the unique features of these businesses and the influence they exert, particularly those relating to informality, uncertainty and key decision makers. Moreover, because formality and structure in an organisation's given approach to HRD are a matter of choice for the particular firm, future models should focus less on the operational details involved, i.e. budgets, written plans, off-the-job methods. On the contrary, they should place a greater emphasis on shaping the culture of the organisation to one that actively promotes the training and development of its members by placing HRD at the top of its strategic agenda. Due to a lesser degree of formality and/or structure in planning and implementation, best practice HRD in a small hotel context is perhaps just less visible, with developmental activities obscured within the informality of the firm's

infrastructures, routines and natural learning processes. Hence, the nature and value of small firm HRD may be misunderstood and unjustly maligned.

Throughout the project the author has argued that small hotels can no longer be considered unsophisticated practitioners of HRD. The pursuit of a best practice approach was evident among many of the properties, which, in turn, was closely linked to important business outcomes. Academics, practitioners and policy-makers alike must therefore accept that a best practice HRD orientation means much more than the formalisation and rationality required when a firm reaches a certain size. In addition, it is vital for all concerned to view best practice as a continuously evolving idyllic state. Whether practices are called exemplary, best or good, they are rarely the ultimate that can be achieved, since best practice is always contextual and situation specific. In line with the research of Fitz-enz (1993, 1997a, b), the critical lesson to be gleaned from this study is that, it isn't *what* an organisation does, but rather *why* it does it that makes the organisation a best practice performer. It is the beliefs that underpin and drive the process are the true best practice drivers.

### ***7.2.3 The Quality Employer Programme***

The credibility of the IHF's Quality Employer Accreditation has been called into question by the findings of this study. The fact that such variation in employment practices and standards within accredited properties exists suggests that the programme is not be effectively monitored.

### ***7.2.4 From Conclusions to Theory Development***

From the outset, it is important to state that although none of the respondents in the best practice performers group directly suggested that they were pursuing a best practice approach to HRD, such an orientation was implicit in many of the research findings. This led the researcher to question whether there was something common to most or all of these companies that might account for their excellent performance in HRD. Nevertheless, even within the best practice performers group, the actual HRD practices being undertaken were considerably diverse, again highlighting the idiosyncratic nature of HRD in small firms, and yet these properties were all equally successful. What was

common to this group overall, however, was a number of key characteristics that resulted in them adopting many of the intangible and culturally based features of the synthesised best practice HRD model. Therefore, after due consideration, the author came to the realisation that there must be a number of *unseen drivers* behind the more visible activities being undertaken that resulted in these properties being best practice performers. The reason why they had gone unnoticed initially was that each hotel played them out in its own way.

Bearing in mind the above discussion, the author concurs wholeheartedly with the view of Fitz-enz (1993, 1997a,b), that *best practice is some much more fundamental, found deep inside the very fabric of an organisation*. Thus, it is the culture of the organisation; its values, attitudes and beliefs that constitute the true best HRD practice and not some visible action, program, process or policy. The findings of the work suggest that this is undoubtedly the most apt perspective to adopt in relation to the concept of best practice HRD. Therefore, to return to a fundamental question evoked by the work (as documented in Chapter 1 Page 9): empirical examples of small firm HRD do not have to conform to existing normative models in order to be accepted as valid and true examples of best practice. The study provided perfectly legitimate examples of best practice HRD, albeit on a more informal level, drawing on the intangible principles of the synthesised model. Thus, one must also conclude also that formality and structure are incidental to best practice HRD. It is the culture of the organisation; the values, attitudes and beliefs of key decision makers, that represents the true best practice and not the fact that a firm formally plans and structures its training effort.

The model developed by the researcher (Figure 6.2) essentially illustrates the relationship between the study's three principal conclusions. It shows how small firm approaches to HRD (Conclusion 1) affects their ability to participate in conventional best practice initiatives, thereby questioning the feasibility of such initiatives within a small firm context (Conclusion 2). In turn, it also outlines and explains what can realistically and sensibly be termed best practice from the perspective HRD of a small hospitality firm (Conclusion 3). Ultimately, however, the model both emphasises and advocates the cultural



perspective of best practice as the optimum way of applying best practice principles.

### **7.3 Recommendations**

A number of policy recommendations have evolved from the discussion of the key conclusions presented in this chapter.

Primarily, if academics, practitioners and policy makers want to facilitate greater learning within small firms, it is the area of enhancing the effectiveness and efficiency of in-house training which is likely to be most effective. How this might be achieved centres around making best practice HRD programmes and schemes more attractive and user-friendly to small businesses; in particular by enabling training activities to be incorporated within the normal operation of the firm. It is vital for organisations such as CERT, the IHF and the Irish Hotels and Catering Institute (IHCI) to work cooperatively with hoteliers in the design of future training initiatives.

The model, 'A Theory of Best Practice HRD in Small Hospitality Firms', ultimately allows for an assessment of the relevance and applicability of theories of conventional best practice HRD in a small firm context. The model could therefore enable agencies such as Fáilte Ireland and the IHF to identify those small firms most likely to participate in best practice HRD initiatives and thus help tailor programme delivery and tools to meet unique small firm needs. In turn, the research may encourage other providers and organisers of HRD to give due recognition to learning gained in informal settings and to find better ways of incorporating it into their programmes.

Given the situation concerning the Quality Employer Programme, the researcher recommends that the IHF undertake a comprehensive review of the standard. In particular, it is advised that the accreditation process should be more stringent, with stricter criteria set down in order to achieve the award. The IHF should also endeavour to ensure that excellent standards are being upheld subsequent to a hotel receiving the award.

#### **7.4 The Conduct of Small Business Research: Methodological Implications**

From the outset, it was anticipated that the study would generate new insights on how to conduct research within small organisations. The challenges inherent in this type of research, particularly that of gaining access to informants, have been documented in Chapter Four. The study suggests a practical and effective way to interact with small firms. Management of the fieldwork has shown how large numbers of diverse businesses can be investigated, analysed and described within a flexible, yet consistent framework. Indeed, allowing for flexibility and individualism proved to be an important aspect of conducting research in small hotels. The methodological strategy adopted has also proven to be particularly effective in the forging of links between academia and industry. Contrary to much academic commentary, the small hotels investigated were both available and enthusiastic to discuss their experiences of training and development.

On account of the dearth of literature about researching the concept of HRD in small firms, it was also anticipated that discussions of the researcher's experiences in this regard would make a vital contribution to that particular body of knowledge. To this end, one of the key messages of the work is that it is important for those planning to undertake research on HRD in small firms to adopt a broad perspective of the concept and not to focus purely on formal, course-driven, off-the-job training activities. Placing such restrictions on definitions of HRD may result in the exclusion of the most critical element of small firm HRD; the more informal means of training and learning so prevalent amongst these businesses, thereby seriously underestimating levels. However, the findings of the work also illustrate that small hoteliers themselves also tend to view HRD in narrow, course-based, off-the-job terms and do not always recognise the range and value of the activities undertaken within their own organisations. It is unequivocal, therefore, that when a broader, more embracing definition is adopted, the assessment of HRD activity in small firms reveals a very different picture to that described by previous scholars and commentators, in that levels of HRD are reported to be considerably higher than hitherto recognised. Nevertheless, the interests of researchers may well be

best served by focusing primarily on training and development as the barometer of learning and HRD activity in small firms, as this constitutes the most visible component of HRD in these organisations.

### **7.5 Areas for Further Research**

Undoubtedly, the most significant theoretical outcome of the research are the models, 'A Theory of Best Practice HRD in Small Hospitality Firms' and 'Unseen Drivers of Best Practice HRD'. In turn, the study makes a substantial contribution to the theory of best practice HRD in general, and to HRD in small firms in particular. Importantly, the model itself also provides a framework for the conduct of further empirical research into the training and development practices of small businesses. Further investigation would be best served by concentrating on a number of key areas.

Primarily, the model could be used as the basis for exploring in greater detail the importance of tacit knowledge and tacit skills, particularly from a service industry perspective. Examining the influence of the economic sector in which a small firm operates on HRD practice would thus be a worthwhile endeavour.

Another salient theme emerging from the study concerns the context for small firm HRD, which is important, both in terms of conducting HRD research and understanding the HRD processes in these firms. This relates to the organic nature of HRD in small businesses, as demonstrated by the fieldwork, whereby HRD interventions form a central part of everyday routines and working practices and are thus intertwined with the overall running of the business. Similarly, other researchers might also like to revisit the theme of managers as catalysts for organisational learning and HRD, whereby general, formally acquired information and knowledge is rendered more accessible, relevant and firm-specific by these individuals who disseminate it via more informal means.

Hoque (2000) observes that inevitably, as in industries, there will be examples of poor people management practice. Despite this, however, he states that it is time researchers stopped highlighting examples of 'bad management' and branding the hotel industry as under-developed or backward, and began

identifying approaches to hotel management capable of generating high performance. Continuing, he maintains that if researchers can indeed identify examples of performance-enhancing best practice, encourage their dissemination and assist in their implementation, they will be a position to make a far greater contribution towards the achievement of competitive success within the industry. Thus, rather than trying to impose conventional best practice HRD logic on a small firm context, the author has evolved a specific theory about the necessary conditions to support, rather than to counteract, the benefits of smallness. The increasingly central role played by small service firms in the economy mandates that other researchers rise to meet this challenge.

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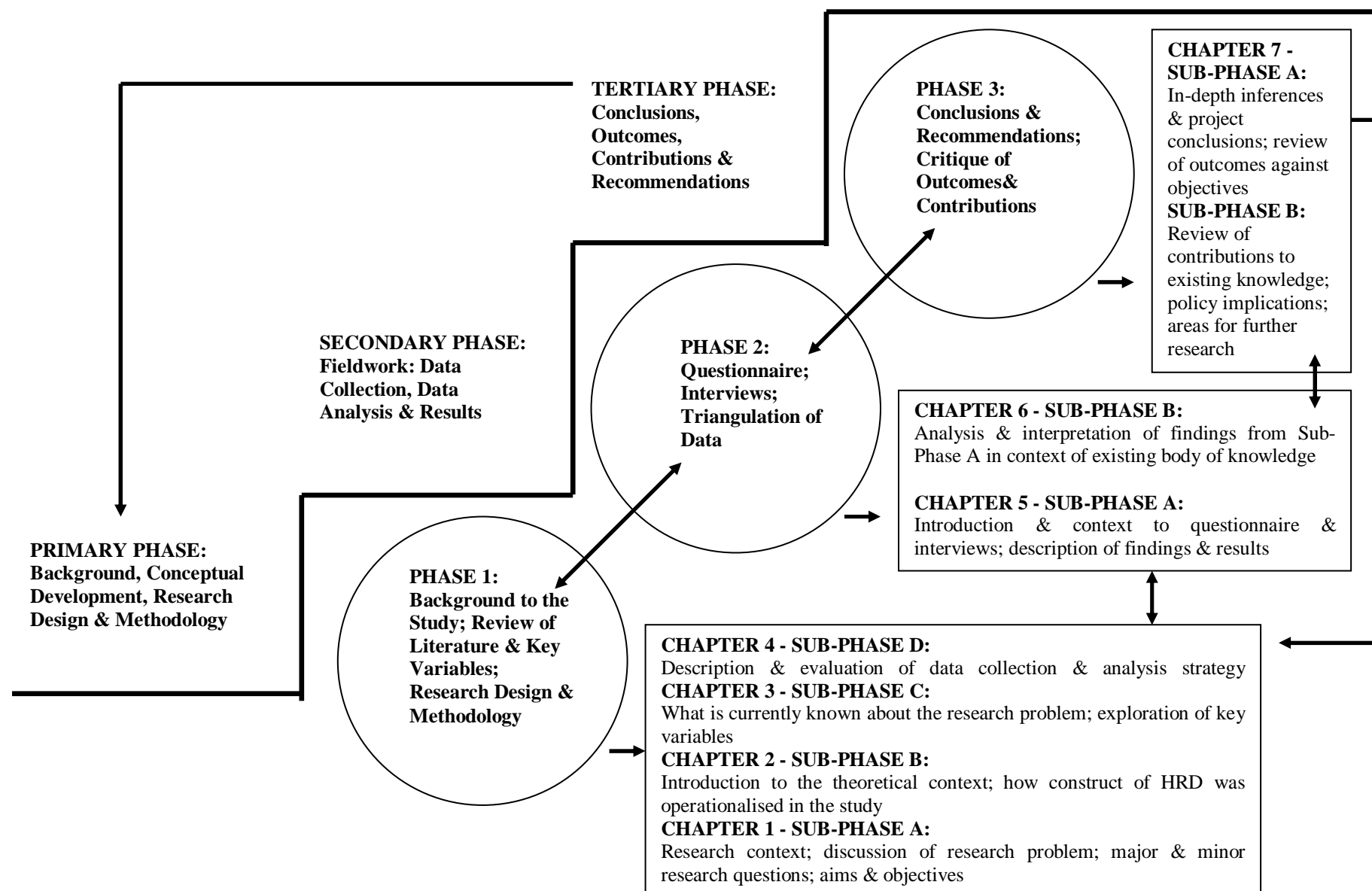
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## **APPENDICES**

## APPENDIX 1. FRAMEWORK OF THE STUDY



## APPENDIX 2:

### THE INVESTORS IN PEOPLE STANDARD

Principles	Indicators
<b>Commitment:</b> An Investor in People is fully committed to developing its people in order to achieve its aims and objectives.	<ol style="list-style-type: none"> <li>1. The organisation is committed to supporting the development of its people.</li> <li>2. People are encouraged to improve their own performance.</li> <li>3. People believe their contribution to the organisation is recognised.</li> <li>4. The organisation is committed to ensuring equality of opportunity in the development of its people.</li> </ol>
<b>Planning:</b> An Investor in People is clear about its aims and objectives and what its people need to do to achieve them.	<ol style="list-style-type: none"> <li>5. The organisation has a plan with clear aims and objectives which are understood by everyone.</li> <li>6. The development of people is in line with the organisation's aims and objectives.</li> <li>7. People understand how they contribute to achieving the organisation's aims and objectives.</li> </ol>
<b>Action:</b> An Investor in People develops its people effectively in order to improve its performance.	<ol style="list-style-type: none"> <li>8. Managers are effective in supporting the development of people.</li> <li>9. People learn and develop effectively</li> </ol>
<b>Evaluation:</b> An Investor in People understands the impact of its investment in people on its performance.	<ol style="list-style-type: none"> <li>10. The development of people improves the performance of the organisation, teams and individuals.</li> <li>11. People understand the impact of the development of people on the performance of the organisation, teams and individuals.</li> <li>12. The organisation gets better at developing people.</li> </ol>

*Source: IIP UK (2003a: 6-7)*



### **APPENDIX 3:**

#### **BRITISH HOSPITALITY ASSOCIATION EXCELLENCE THROUGH PEOPLE: TEN POINT CODE TO GOOD EMPLOYMENT PRACTICE**

The heart of Excellence Through People is the employer's implementation of a ten-point code of Good Employment Practice. It commits employers to:

*Recruit and Select with Care (to promote a positive image and attract quality staff)*

- 1. Equal Opportunities**
- 2. Recruitment**

A good employer attracts, selects and employs quality staff, whether full-time or part-time or casual, who are legally entitled to work in the UK.

*Offer a Competitive Employment Package (to ensure that staff know what to expect and are well cared for)*

- 3. Contract of Employment**
- 4. Health and Safety**

A good employer ensures that staff are fully aware, in writing, of their terms and conditions of employment and provides a healthy and safe environment for them.

*Develop Skills and Performance (to enhance standards of customer service and productivity)*

- 5. Job Design**
- 6. Training and Development**

A good employer constantly seeks to improve productivity, business efficiency and customer service by improving staff competence, motivation, effectiveness and job satisfaction.

*Communicate Effectively (to ensure that the business and its staff are working towards the same goals)*

- 7. Communications**
- 8. Grievances and Discipline**

A good employer ensures that staff know what is expected of them, keeps them informed of performance and has arrangements for dealing with discipline and grievances.

**Recognise and Reward (to retain highly motivated staff)**

- 9. Performance Review**
- 10. Rewards and Recognition**

A good employer takes steps to keep and motivate quality staff by rewarding them equitably by means of a well understood remuneration package.

Source: BHA (2001: 5)

**APPENDIX 4:**  
**RESEARCH FINDINGS**  
**TABLES 1 - 45**

<b>Table 1. Policy for Human Resource Development</b>		
<i>'What best describes the overall policy of your hotel to training and learning?'</i>		
	<i>Frequency</i>	<i>Percent</i>
No training has been undertaken by the hotel in recent years	3	2.8
Training tends to be a last resort; we generally avoid having to train staff	3	2.8
We undertake training as and when necessary but don't have a policy	55	50.5
We take a positive and systematic approach to training though this is not set out in written form	35	32.1
We have a written training policy which ensures that the necessary training takes place	13	11.9
<b>TOTAL</b>	<b>109</b>	<b>100.0</b>
Note: N=109; 1=missing		

<b>Table 2. Relationship of HRD to Corporate Plan</b>		
<i>'How would you best describe the relationship between the training and development plan and the overall plan for your hotel?'</i>		
	<i>Frequency</i>	<i>Percent</i>
No relationship	0	0.0
Some consideration of training and development needs during planning process	3	9.1
Assists development and implementation of business plans	11	33.3
Significant input into business planning process	3	9.1
Training and development as central to business planning and success	16	48.5
<b>TOTAL</b>	<b>33</b>	<b>100.0</b>
Note: N=33		

<b>Table 3. Responsibility for HRD</b>		
<i>'Who has principal responsibility for training and development in your hotel?'</i>		
	<i>Frequency</i>	<i>Percent</i>
Proprietor / Owner-manager	29	26.6
General / Senior Manager	36	33.0
Heads of Department	23	21.1
Combination of people	15	13.8
Supervisors	3	2.8
Personnel/HR manager	3	2.8
<b>TOTAL</b>	<b>109</b>	<b>100.0</b>
Note: N=109; 1=missing		

<b>Table 4. Reasons for not having a Dedicated Budget for HRD</b>		
<i>‘Please indicate your reasons for not having a training budget’</i>		
	<i>Frequency</i>	<i>Percent</i>
No need for budget at present	12	10.9
No separate budget – part of overall budget	34	90.9
Can’t afford it	8	7.3
On-the-job in-house training provided instead	47	42.7
Note: column does not sum to 100% due to multiple response		

<b>Table 5. Methods used to Identify HRD Needs</b>		
<i>‘How do you determine the areas in which training and development are needed?’</i>		
	<i>Frequency</i>	<i>Percent</i>
Informal feedback from managers and staff	78	70.9
Customer feedback	55	50.0
Staff requests	34	30.9
Performance appraisal process	32	29.1
HRD assessments	18	16.4
Interviews	5	4.5
Questionnaires	1	0.9
Other	5	4.5
Note: column does not sum to 100% due to multiple response		

<b>Table 6. Format of Induction</b>		
<i>‘What format does induction take?’</i>		
	<i>Frequency</i>	<i>Percent</i>
On-the-job induction	67	60.9
Formal course off the job, e.g. videos, presentations	8	7.3
Shadowing another employee	40	36.4
Employee handbook, written information about the hotel	37	33.6
Other	2	1.8
Note: column does not sum to 100% due to multiple response		

<b>Table 7. Multiskilling Policy</b>		
<i>‘Please indicate how staff learn the necessary skills to perform a variety of tasks in various departments’</i>		
	<i>Frequency</i>	<i>Percent</i>
Deliberate policy of cross-functional training (planned in advance, structured)	23	20.9
Deliberate policy of on-the-job cross functional training (not pre-planned, unstructured)	34	30.9
Assisting in particular areas during peak times	59	53.6
Covering for absent staff	24	21.8
Note: column does not sum to 100% due to multiple response		

<b>Table 8. Location of Training</b>		
<i>‘How would you best describe the type of training provided for staff by your hotel?’</i>		
	<i>Frequency</i>	<i>Percent</i>
Outside the workplace, e.g. workshops, seminars, classroom sessions	9	8.9
Activities which improve skills & knowledge but do not lead to formal accreditation	6	5.9
In-house trainer providing job-related course	20	19.8
Training that is unstructured and easily adapted, e.g. shadowing a co-worker or supervisor	66	65.3
<b>TOTAL</b>	<b>101</b>	<b>100.0</b>
Note: N=101; 9=missing		

<b>Table 9. Trainer Status</b>		
<i>‘Who mainly carries out training in your hotel?’</i>		
	<i>Frequency</i>	<i>Percent</i>
Internal trainers / staff within the hotel	67	63.2
Private agencies	5	4.7
External trainers, e.g. CERT, FAS	3	2.8
Combination of internal and external trainers	31	29.2
<b>TOTAL</b>	<b>106</b>	<b>100.0</b>
Note: N=106; 4=missing		

<b>Table 10. Criteria used to Evaluate HRD Effectiveness</b>		
<i>'What are the main criteria used to evaluate the effectiveness of training and development in your hotel?'</i>		
	<i>Frequency</i>	<i>Percent</i>
Informal feedback from managers	35	31.8
Informal feedback from staff	43	39.1
Feedback from customers	36	32.7
Meeting objectives set out in training plan	9	8.2
Questionnaires post-training event	2	1.8
Interviews with managers/staff post training	5	4.5
Likelihood of internal promotion increased	5	4.5
Observing employees in their work activities	45	40.9
Performance review process	12	10.9
Note: column does not sum to 100% due to multiple response		

<b>Table 11. Attitude to HRD</b>		
<i>'How would you best describe your hotel's attitude to training and development?'</i>		
	<i>Frequency</i>	<i>Percent</i>
HRD is a major business activity, something an organisation must do to succeed	38	35.8
HRD is a value-added activity, something that is worth doing	54	50.9
HRD is an optional activity, something that is nice to do	12	11.3
HRD is a waste of business resources, something that has costs exceeding the benefits	2	1.9
<b>TOTAL</b>	<b>106</b>	<b>100.0</b>
N=106; 4=missing		

<b>Table 12. Benefits of HRD</b>			
<i>'Please identify the top three main benefits of training and development for your hotel'</i>			
	<i>Frequency</i>	<i>Percent</i>	<i>% reporting as most important reason</i>
Improves performance	76	69.1	38.2
Increases service quality & standards	75	68.2	41.3
Enhances worker commitment	43	39.1	30.2
Decreases turnover	26	23.6	3.8
Raises workforce skills	21	19.1	23.8
Increases labour productivity	17	15.5	23.5
Complies with legal regulations	17	15.5	17.6
Facilitates the introduction of new products and services	13	11.8	15.4
Solves work problems	12	10.9	8.3
Effective way to reward staff	11	10.0	9.1
Facilitates the introduction of new equipment/software	1	0.9	0.0
No benefits	1	0.9	0.0
Note: columns do not sum to 100% due to multiple response			

<b>Table 13. Barriers to HRD</b>			
<i>'Please identify the top three main barriers to training and development in your hotel'</i>			
	<i>Frequency</i>	<i>Percent</i>	<i>% reporting as most significant barrier</i>
Problems finding replacements for staff attending training	54	49.1	27.8
Costs of providing HRD	51	46.4	51.0
Inconvenient location of external courses	35	31.8	25.7
Lack of skilled internal staff	29	26.4	20.7
Fear that trained staff will be poached by competitors	18	16.4	5.6
Lack of staff interest	13	11.8	23.1
Lack of information about training opportunities	12	10.9	16.7
Inconvenient timing of external courses	12	10.9	25.0
Benefits hard to measure	8	7.3	12.5
Lack of space to provide HRD	4	3.6	25.0
Other barriers	9	8.2	55.6
Absenteeism	2	1.8	0.0
Lack of suitable equipment	1	0.9	0.0
No barriers	12	10.9	0.0
Note: columns do not sum to 100% due to multiple response			

	<i>Freq</i>	<i>&lt; 25 rooms %</i>	<i>Freq</i>	<i>&gt; 25 rooms %</i>
No HRD in recent years or HRD as a last resort	4	7.5	2	3.6
Undertake HRD as and when necessary	27	50.9	28	50.0
Positive and systematic approach to HRD or written HRD policy	22	41.5	26	46.4
<b>TOTAL</b>	<b>53</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>
Note: N=109; 1=missing				

<b>Table 15. Workforce Size and HRD Policy</b>				
	<i>Freq</i>	<i>&lt; 50 staff %</i>	<i>Freq</i>	<i>&gt; 50 staff %</i>
No HRD in recent years or HRD as a last resort	6	8.8	0	0.0
Undertake HRD as and when necessary	34	50.0	20	51.3
Positive and systematic approach to HRD or written HRD policy	28	41.2	19	43.9
<b>TOTAL</b>	<b>68</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=107; 3=missing				

<b>Table 16. Accommodation Capacity and HRD Plan</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Yes	12	23.5	19	34.5
No	39	76.5	36	65.5
<b>TOTAL</b>	<b>51</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>
Note: N=106; 4=missing				

<b>Table 17. Workforce Size and HRD Plan</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Yes	17	25.4	14	37.8
No	50	74.6	23	62.2
<b>TOTAL</b>	<b>67</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>
Note: N=104; 6=missing				



<b>Table 18. Accommodation Capacity and Responsibility for HRD</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Most senior mgr	38	71.7	27	48.2
Heads of Dept	6	11.3	17	30.4
Combination	9	17.0	6	10.7
Supervisors	0	0.0	3	5.4
P/HR manager	0	0.0	3	5.4
<b>TOTAL</b>	<b>53</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>
Note: N=109; 1=missing				

<b>Table 19. Workforce Size and Responsibility for HRD</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Most senior mgr	47	69.1	16	41.0
Heads of Dept	11	16.2	12	30.8
Combination	7	10.3	8	20.5
Supervisors	2	2.9	1	2.6
P/HR manager	1	1.5	2	5.1
<b>TOTAL</b>	<b>68</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=107; 3=missing				

<b>Table 20. Accommodation Capacity and Dedicated Funding for HRD</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Yes	16	30.2	29	51.8
No	37	69.8	27	48.2
<b>TOTAL</b>	<b>53</b>	<b>100.0</b>	<b>56</b>	<b>100.0</b>
Note: N=109; 1=missing				

<b>Table 21. Accommodation Capacity and Dedicated Funding for HRD</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Yes	21	30.9	23	59.0
No	47	69.1	16	41.0
<b>TOTAL</b>	<b>68</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=107; 3=missing				

<b>Table 22. Accommodation Capacity &amp; Methods used to Identify HRD Needs</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Informal feedback	36	67.9	42	75.0
Customer feedback	28	52.8	27	50.5
Staff requests	12	22.6	22	39.3
Performance appraisal process	12	22.6	20	35.7
HRD assessments	7	13.2	11	19.6
Interviews	1	109	4	7.1
Questionnaires			1	1.8
Other	2	3.8	3	5.4
Note: columns do not sum to 100% due to multiple response. N=109; 1=missing.				

<b>Table 23. Workforce Size &amp; Methods used to Identify HRD Needs</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Informal feedback	42	61.8	35	89.7
Customer feedback	34	50.0	21	53.8
Staff requests	18	26.5	16	41.0
Performance appraisal process	22	32.4	9	23.1
HRD assessments	9	13.2	8	20.5
Interviews	1	1.5	4	10.3
Questionnaires	1	1.5		
Other	4	5.9	1	2.6
Note: columns do not sum to 100% due to multiple response. N=107; 3=missing.				

<b>Table 24. Hotel Size and Trainer Status</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Internal trainers	37	69.8	30	54.5
External trainers [private/public]	6	11.3	4	7.3
Combination	10	18.9	21	38.2
<b>TOTAL</b>	<b>53</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>
Note: N=108; 2=missing				

	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Internal trainers	47	70.1	19	48.7
External trainers [private/public]	7	10.4	3	7.7
Combination	13	19.4	17	43.6
<b>TOTAL</b>	<b>67</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=106; 4=missing				

<b>Table 26. Accommodation Capacity and Location of Training</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
External training	8	12.9	7	18.9
Internal training	54	87.1	30	81.1
<b>TOTAL</b>	<b>62</b>	<b>100.0</b>	<b>37</b>	<b>100.0</b>
Note: N=99; 11=missing				

<b>Table 27. Workforce Size and Location of Training</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
External training	8	16.7	7	13.2
Internal training	40	83.3	46	86.8
<b>TOTAL</b>	<b>48</b>	<b>100.0</b>	<b>53</b>	<b>100.0</b>
Note: N=101; 9=missing				

<b>Table 28. Accommodation Capacity &amp; Criteria used to Evaluate HRD Effectiveness</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Informal feedback mgrs	12	22.6	23	41.1
Informal feedback staff	24	45.3	19	33.9
Customer f' bck	16	30.2	20	35.7
Meeting objectives	4	7.5	5	8.9
Questionnaires			2	3.6
Interviews	3	5.7	2	3.6
Internal promotion	1	1.9	4	7.1
Observing employees	22	41.5	23	41.1
Performance review process	1	1.9	11	19.6
Note: columns do not sum to 100% due to multiple response. N=107; 3=missing.				

<b>Table 29. Accommodation Capacity &amp; Criteria used to Evaluate HRD Effectiveness</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Informal feedback mgrs	15	22.1	20	51.3
Informal feedback staff	27	39.7	16	41.0
Customer f' bck	20	29.4	16	41.0
Meeting objectives	3	4.4	6	15.4
Questionnaires	1	1.5	1	2.6
Interviews	3	4.4	2	5.1
Internal promotion	3	4.4	2	5.1
Observing employees	24	35.3	21	53.8
Performance review process	8	11.8	4	10.3
Note: columns do not sum to 100% due to multiple response. N=107; 3=missing.				

<b>Table 30. Accommodation Capacity and Attitude to HRD</b>				
	<i>Frequency</i>	<i>&lt; 25 rooms %</i>	<i>Frequency</i>	<i>&gt; 25 rooms %</i>
Major/Value-Added activity	45	88.2	47	85.5
Optional activity /Waste	6	11.8	8	14.5
<b>TOTAL</b>	<b>51</b>	<b>100.0</b>	<b>55</b>	<b>100.0</b>
Note: N=106; 4=missing				

<b>Table 31. Workforce Size and Attitude to HRD</b>				
	<i>Frequency</i>	<i>&lt; 50 staff %</i>	<i>Frequency</i>	<i>&gt; 50 staff %</i>
Major/Value-Added activity	54	83.1	37	94.9
Optional activity /Waste	11	16.9	2	5.1
<b>TOTAL</b>	<b>65</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=104; 6=missing				

<b>Table 32. Accommodation Capacity and Benefits of HRD</b>				
	<i>Freq</i>	<i>&lt; 25 rooms %</i>	<i>Freq</i>	<i>&gt; 25 rooms %</i>
Improves performance	39	73.6	37	66.1
Increases service quality & standards	38	71.7	37	66.1
Enhances worker commitment	27	50.9	16	28.6
Decreases turnover	11	20.8	15	26.8
Raises workforce skills	6	11.3	15	26.8
Increases labour productivity	7	13.2	10	17.9
Complies with legal regulations	7	13.2	10	17.9
Facilitates the introduction of new products and services	5	9.4	8	14.3
Solves work problems	6	11.3	6	10.7
Effective way to reward staff	6	11.3	5	8.9
Facilitates the introduction of new equipment/software	0	0.0	1	1.8
No benefits	0	0.0	1	1.8
Note: columns do not sum to 100% due to multiple response. N=109; 1=missing.				

<b>Table 33. Workforce Size and Benefits of HRD</b>				
	<i>Freq</i>	<i>&lt; 50 staff %</i>	<i>Freq</i>	<i>&gt; 50 staff %</i>
Improves performance	46	67.6	28	71.8
Increases service quality & standards	45	66.2	29	74.4
Enhances worker commitment	30	44.1	11	28.2
Decreases turnover	16	23.5	10	25.6
Raises workforce skills	12	17.6	9	23.1
Increases labour productivity	8	11.8	9	23.1
Complies with legal regulations	12	17.6	5	12.8
Facilitates the introduction of new products and services	6	8.8	6	15.4
Solves work problems	8	11.8	4	10.3
Effective way to reward staff	6	8.8	5	12.8
Facilitates the introduction of new equipment/software	0	0.0	1	2.6
No benefits	1	1.5	0	0.0
Note: columns do not sum to 100% due to multiple response. N=107; 3=missing.				

<b>Table 34. Accommodation Capacity and Barriers to HRD</b>				
	<i>Freq</i>	<i>&lt; 25 rooms %</i>	<i>Freq</i>	<i>&gt; 25 rooms %</i>
Problems finding replacements	24	45.3	30	53.6
Costs of providing HRD	24	45.3	27	48.2
Inconvenient location of external courses	16	30.2	19	33.9
Lack of skilled internal staff	14	26.4	15	26.8
Fear of poaching	7	13.2	11	19.6
Lack of staff interest	8	15.1	5	8.9
Lack of information about training opportunities	5	9.4	7	12.5
Inconvenient timing of external courses	5	9.4	7	12.5
Benefits hard to measure	4	7.5	4	7.1
Lack of space to provide HRD	3	5.7	1	1.8
Other barriers	3	5.7	6	10.7
Absenteeism	1	1.9	1	1.8
Lack of suitable equipment	1	1.5	0	0.0
No barriers	8	15.1	4	7.1
Note: columns do not sum to 100% due to multiple response. N=109; 1=missing.				

<b>Table 35. Workforce Size and Barriers to HRD</b>				
	<i>Freq</i>	<i>&lt; 50 staff %</i>	<i>Freq</i>	<i>&gt; 50 staff %</i>
Problems finding replacements	29	42.6	24	61.5
Costs of providing HRD	30	44.1	20	51.3
Inconvenient location of external courses	19	27.9	15	38.5
Lack of skilled internal staff	15	22.1	14	35.9
Fear of poaching	12	17.6	6	15.4
Lack of staff interest	10	14.7	3	7.7
Lack of information about training opportunities	10	14.7	2	5.1
Inconvenient timing of external courses	7	10.3	5	12.8
Benefits hard to measure	3	4.4	5	12.8
Lack of space to provide HRD	4	5.9	0	0.0
Other barriers	5	7.4	4	10.3
Absenteeism	1	1.5	1	2.6
Lack of suitable equipment	1	1.5	0	0.0
No barriers	9	13.2	2	5.1
Note: columns do not sum to 100% due to multiple response. N=107; 3 missing.				

Table 36. Accommodation Capacity and QEP Membership				
	<i>Freq</i>	<i>&lt;25 rooms %</i>	<i>Freq</i>	<i>&gt;25 rooms %</i>
QEP Member	22	44.0	32	59.3
Non-QEP Member	28	56.0	22	40.7
<b>TOTAL</b>	<b>50</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>
Note: N=104; 6=missing				

Table 37. Workforce Size and QEP Membership				
	<i>Freq</i>	<i>&lt;50 staff %</i>	<i>Freq</i>	<i>&gt;50 staff %</i>
QEP Member	26	41.3	26	66.7
Non-QEP Member	37	58.7	13	33.3
<b>TOTAL</b>	<b>63</b>	<b>100.0</b>	<b>39</b>	<b>100.0</b>
Note: N=102; 8=missing				

Table 38. QEP Membership and HRD Policy				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
No HRD in recent years or HRD as a last resort	0	0.0	6	12.0
Undertake HRD as and when necessary	26	48.1	26	52.0
Positive and systematic approach to HRD or written HRD policy	28	51.9	18	36.0
<b>TOTAL</b>	<b>54</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>
Note: N=104; 6=missing				

Table 39. QEP Membership and Responsibility for HRD				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Most senior person	31	57.4	30	60.0
Heads of Department	8	14.8	15	30.0
Combination of people	11	20.4	3	6.0
Supervisors	1	1.9	2	4.0
Personnel/HR manager	3	5.6	0	0.0
<b>TOTAL</b>	<b>54</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>
Note: N=104; 6=missing				

Table 40. QEP Membership and Separate Budget for HRD				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Yes	8	14.8	3	6.3
No	46	85.2	45	93.8
<b>TOTAL</b>	<b>54</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>
Note: N=102; 8=missing				

Table 41. QEP Membership and Trainer Status				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Internal trainers	29	53.7	33	67.3
External trainers [private/public]	4	7.4	6	12.2
Combination	21	38.9	10	20.4
<b>TOTAL</b>	<b>54</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>
Note: N=103; 7=missing				

Table 42. QEP Membership and Location of Training				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Outside the workplace	7	13.5	2	4.4
Activities which improve skills & knowledge, formal accreditation	2	3.8	4	8.9
In-house trainer providing job-related course	14	26.9	5	11.1
Training that is unstructured and easily adapted	29	55.8	34	75.6
<b>TOTAL</b>	<b>52</b>	<b>100.0</b>	<b>45</b>	<b>100.0</b>
Note: N=97; 13 missing				

Table 43. QEP Membership and Attitude to HRD				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Major/Value-Added Activity	48	90.6	41	83.7
Optional Activity/Waste of Resources	5	9.4	8	16.3
<b>TOTAL</b>	<b>53</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>
Note: N=102; 8=missing				



<b>Table 44. QEP Membership and Benefits of HRD</b>				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Improves performance	41	75.9	32	64.0
Increases service quality & standards	42	77.8	30	60.0
Enhances worker commitment	21	38.9	20	40.0
Decreases turnover	11	20.4	12	24.0
Raises workforce skills	12	22.2	9	18.0
Increases labour productivity	10	18.5	7	14.0
Complies with legal regulations	5	9.3	11	22.0
Facilitates the introduction of new products and services	6	11.1	7	14.0
Solves work problems	7	13.0	4	8.0
Effective way to reward staff	7	13.0	4	8.0
Facilitates the introduction of new equipment/software	0	0.0	1	2.0
No benefits	0	0.0	1	2.0
Note: columns do not sum to 100% due to multiple response. N=104; 6=missing.				

<b>Table 45. QEP Membership and Barriers to HRD</b>				
	<i>Freq</i>	<i>QEP %</i>	<i>Freq</i>	<i>Non-QEP %</i>
Problems finding replacements	31	57.4	21	42.0
Costs of providing HRD	27	50.0	22	44.0
Inconvenient location of external courses	16	29.6	18	36.0
Lack of skilled internal staff	13	24.1	15	30.0
Fear of poaching	9	16.7	7	14.0
Lack of staff interest	3	5.6	10	20.0
Lack of information about training opportunities	5	9.3	7	14.0
Inconvenient timing of external courses	7	13.0	5	10.0
Benefits hard to measure	5	9.3	3	6.0
Lack of space to provide HRD	1	1.9	3	6.0
Other barriers	8	14.8	1	2.0
Absenteeism	1	1.9	1	2.0
Lack of suitable equipment	1	1.9	0	0.0
No barriers	7	13.0	4	8.0
Note: columns do not sum to 100% due to multiple response. N=104; 6=missing.				

**APPENDIX 5:**

**COPY OF POSTAL QUESTIONNAIRE**

**COPY OF COVER LETTER**

**COPY OF THANK YOU LETTERS**

## **COVER LETTER**

«Title» «FirstName» «LastName»  
«Company»  
«Address1»  
«Address2»  
«Address3»  
«County»

Date

**Dear «Title» «LastName»,**

I am a postgraduate student of the Dublin Institute of Technology (DIT) School of Hospitality Management and Tourism. As part of my studies, I am undertaking a two-year research project focusing on the training and development practices of small independent Irish hotels. The purpose of the study is to determine best practice training and development for small properties, as distinct from that practised by larger hotels, and to develop a set of training and development benchmarks (standards of excellence), specifically designed for small properties to strive towards.

The principal benefit to be gained for your hotel by completing and returning the questionnaire is the unique opportunity to receive a copy of the survey's results, which will include a summary of industry best practices for training and development, specific to small hotels. These results can be obtained by completing the section at the end of the questionnaire (*Section 3*).

I would be very grateful if you would participate in this project by completing the enclosed questionnaire and returning it to me at your earliest convenience. The Irish Hotels Federation (IHF) and the Irish Hotel and Catering Institute (IHCI) have endorsed the questionnaire and the research is supported by them. The questionnaire should only take about 20 minutes to complete. A reply-paid envelope is provided for your convenience.

I would very much appreciate your co-operation in this survey. If you have any queries, or require any further information, please do not hesitate to contact me at the following phone numbers: (01) 8146068 or 087 6752109, or my supervisors, Ms. Geraldine Gorham and Mr. Peter Griffin at (01) 4023000, or alternatively by email: [ciara.nolan@dit.ie](mailto:ciara.nolan@dit.ie); [geraldine.gorham@dit.ie](mailto:geraldine.gorham@dit.ie); [peter.griffin@dit.ie](mailto:peter.griffin@dit.ie).

**Yours sincerely,**

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**Ciara Nolan.**

## **THANK YOU LETTERS**

### **Thank You Letter 1 (Results only)**

Date

**Dear X,**

I would like to express my sincere thanks for your participation in my survey on training and development in small Irish hotels. The information provided by you has made an invaluable contribution to this research project. I will forward a copy of the results to you upon completion of the study.

Thanking you again,

**Yours sincerely,**

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**Ciara Nolan.**

### **Thank You Letter 2 (Results & Follow-up)**

Date

**Dear X,**

I would like to express my sincere thanks for your participation in my survey on training and development in small Irish hotels. The information provided by you has made an invaluable contribution to this research project. I will contact you shortly with a view to arranging a possible follow-up interview at your convenience.

Looking forward to speaking with you soon,

**Yours sincerely,**

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**Ciara Nolan**

**APPENDIX 6:  
INTERVIEW TOPIC GUIDE**

**Best Practice HRD for Small Hotels:  
Interview Topic Guide**

**1. Establishing a Profile of Your Hotel**

- Brief discussion about the principal activities of the hotel – products and services on offer; target markets/sources of business; awards; staff (full-time/part-time)
- Where do you see the hotel going over the next few years? Any desire to expand the business or do they feel they have an advantage being small? Primary focus – growth, stability, or survival?
- Main challenges to successful management in the hotel industry – Human resource challenges in particular – staff shortages, skill shortages, turnover, and recruitment problems – in what departments in particular – why do they believe these challenges exist? What are they doing in an effort to deal with and overcome these challenges? How do they ensure they have the skills to perform jobs effectively – buy-in or develop in-house? Why?

**2. Business Planning**

- What form does your business-planning take – formal, informal, written, unwritten? Why it takes that form. Areas emphasised in the plan – marketing, financial, HR etc.
- Role of training and development in business planning. Are HR issues considered when planning?

**3. Training and Development**

- What activities you consider to come under the heading of ‘training and development’
- Policies, plans and objectives for training and development – what exists and why they have particular policy? Why plan/no plan? Do they set objectives either formally or informally in their own mind? Why particular way? How are these policies, plans and objectives communicated to other managers and staff? Do they have individual training records?
- How are the training and development needs of staff determined – methods. Frequency of it.
- Evaluation of training and development – how is it done, perceived importance, who does it? What action is taken if evaluation indicates that HRD needs have not been met?
- What prompts you to train – triggers for training?
- What do you feel are the strengths and weaknesses of your hotel’s approach to training?
- Quality Employer – what prompted you to apply? Benefits of the standard – overall and as a means of attracting and retaining staff in particular.

- Main benefits of training and development – why? General opinion on the importance of HRD.
- Main constraints/barriers to training and development – why?

#### **4. Responsibility for Training and Development**

- Person with principal responsibility – how they acquired their skills – do they have business/HR related formal qualifications; trainers in industry status etc.; how involved they are in delivering training on day-to-day basis?
- Perceived importance of human resource skills as part of general management skills
- Do you seek the assistance/advice of external bodies in relation to training and development? Experience and opinion of external courses – private and public. Do they meet with CERT regional advisors?

#### **5. Training and Development Activities**

- What do you feel is the most effective way of training and developing your staff? What has been the most effective form of HRD utilised by your hotel? Given the freedom from any constraints, what type/form of HRD would you consider to be most beneficial to your hotel?
- How are internal activities designed and implemented? Importance of on-the-job training. Which is better – formal/informal training and why?
- In what areas do you think your staff will require training over the coming year? HRD for managers and supervisors recently and in future.

#### **6. Best Practice Training and Development**

- Your views on the concept of best practice in general and in relation to training and development specifically.
- National HRD standards – Excellence Through People – aware, familiar, thoughts
- CERT research on best practice – Ireland's Best Service Excellence award. Are you familiar with CERT's research on best practice? Opinion? Can recommendations be implemented?
- Do you believe that small properties can implement the same best practices as larger hotels? Why/why not?
- What do you think are the characteristics of an excellent approach to HRD? Can a small hotel achieve this? Would an excellent approach to HRD differ between a small hotel and a large hotel?
- What kind of best practice training and development advice would be more appropriate for small hotels? Would it be the same/different to the advice offered to bigger hotels?

**APPENDIX 7:**  
**CONTACT SUMMARY FORM**

## **Contact Summary Form**

Site: \_\_\_\_\_

Contact name: \_\_\_\_\_

Date: \_\_\_\_\_

1. **What were the main issues or themes in the contact?**

2. **Which research questions did the contact bear on most centrally?**

**Summary of information obtained for each research question.**

**Question**

**Information**

3. **Anything else that was salient, interesting, illuminating or important in this contact**



4. What new hypotheses, speculations or hunches were suggested?

5. Where should the researcher place most energy during the next contact?  
What kinds of information should be sought?