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Competencies: a new sector

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Abstract
Outlines the processes involved in the development of a competency based framework for use by middle managers of three-star Irish hotels within rooms division and the food and beverage department. Secondary research provides an overview of existing generic competency models. Competency models and frameworks have been applied and customised across a broad range of industry sectors. Seeks to address the need for an innovative and fresh approach to HRM within the Irish hotel sector. The primary research is conducted among three-star hotels nation wide, giving equal representation to all regions of Ireland. Job analysis techniques are used as the basis for the primary research. The research is conducted among general managers and middle managers of three-star hotels. While this study examines the three-star hotel market, it is recommended that further research be conducted among four- and five-star properties. It is envisaged that the outcomes of this project will help assist managers in three-star hotels to benchmark their most important role challenges at a middle managerial level against others in similar roles.

Introduction

This paper examines the introduction of a competency-based framework into the hotel sector based on a working project entitled "Hotel management Skillnet". As Heffernan and Flood (2000) note, "one new and emerging human resource theme is that of competencies and their role in helping organisations cope with the changing environment, and the need to integrate an organisation's human resource strategy and it business strategy". Boam and Sparrow (1992) outline a number of business pressures creating the need for new competencies in organisations. Among these pressures are new technology, the drive for quality, more flexible and responsive organisation, supply of resources, new competitive arrangements, the internationalisation of business and the power of information.

Boam and Sparrow (1992) suggest that two main factors have led to the ascendency of a competency-based approach. These are:
1 The failure of large-scale change programmes to deliver the necessary changes in individual behaviour.
2 A growing link between business performance and employee skills such that sustained business performance can only be achieved through improved management capability.

The authors favour "an approach whose time has come" for the following reasons:
- It is couched in terms of behaviours, what people actually do, not what they say they do.
- It is sensitive to and picks up what general managers at the sharp end of the business have to do.
- It also suits pragmatists because it looks at the underlying nature of effective performance. They suggest "competency

based approaches are at the heart of all other approaches".

This paper examines the competency approach. The emergence of competencies is examined. Competencies are defined and explained. Various models and frameworks are discussed with specific reference to the customised model designed for the hotel industry. The benefits of a competency-based approach are highlighted with reference to experiences in other industry sectors. Also criticisms of such an approach are discussed.

This paper focuses on a current project entitled "Hotel management Skillnet" which aims to identify the skills, knowledge and behaviours required at middle management level in the Irish hotel industry. The focus is on the three-star hotel market within rooms division and food and beverage departments. Wynne and Stringer (1997) note that "competencies have been described as the glue which binds an organisation together, taking a holistic look at the people, purpose, processes and performance. ... They also enable organisations to understand and better measure performance". Such an approach holds immense value for the hotel sector, hence the purpose of this study.

Irish hotel sector

Management of human resources change is not an optional skill, it is a survival skill (Gerry O'Connor, Blarney Park Hotel).

According to the recent CERT (2001) *Employment Survey of the Tourism Industry in Ireland 2000*, there are some 854 registered hotel premises in Ireland, with a total capacity of nearly 39,109 rooms. The three-star graded properties compose 46 percent of these Irish hotel rooms. The conclusions of this CERT report were similar to the IHF

(2001) *Blueprint for the Future*, in that it highlighted staff supply, turnover and an insufficient emphasis on modern human resource management practices as some of the challenges which would influence the continued growth and development of this industry. A competency model for middle managers in the three-star hotel sector would therefore enhance the potential of these hotels to recruit, train, develop and retain new and existing managers.

According to Maher and Stafford (2000), "the uniqueness of the hotel business is often quoted as an explanation for the lack of application of personnel policies and practices. Hotels are a particular business type with certain differentiating characteristics but ultimately, the principles of effective personnel management can usefully function in any business". The small size of the majority of Irish hotels has historically inhibited the sophistication of personnel practices. Despite the size, every hotel acting as an employer has a personnel function. Size should not act as a deterrent to developing the personnel function and dedicating responsibility to a member of the management team. The hotel needs to customise this function to its individual profile, needs and goals.

A report entitled *Hospitality 2005 – A Human Resource Strategy*, published by CERT (1999) states that "the primary responsibility in the development of the Irish hotel and restaurant sector lies with industry. Management must embrace best practice management in relation to human resource management and operational excellence, if firms are to build sustainable competitive advantage". This report suggests there is evidence of progress in leading Irish hotels and restaurants in relation to how people are managed, operational excellence and strategic marketing. There is also evidence that this is relatively new territory for much of the industry.

The report identifies four gaps and bridging these gaps, will require action by the industry and by senior management such as:
1 developing strategic thinking in the hotel and restaurant sector;
2 building capability in human resource management;
3 building capability in world class operations;
4 sectoral development to improve the attractiveness of the sector as a place to work.

The report also suggests that there is evidence internationally that the industry is adopting new approaches to managing operations.

Emergence of competencies

The idea of testing competence rather than intelligence was first proposed in the early 1970s by David McClelland, a former Harvard psychologist. McClelland was asked by the US Foreign Service to find new research methods that could predict human performance and reduce the bias of traditional intelligence and aptitude testing, hence the notion of measuring competencies was born.

Their emergence is qualified by a recent Irish Management Institute (nd) report, which states "the strong need for organisations to be able to identify excellence in management has led to the development of the competency approach to human resource management. The competency approach enables organisations to identify skills and behaviours which result in superior performance".

Defining competencies

The available literature offers many explanations of competencies. Some are examined below. Hoffmann (1999) suggests that the purpose of defining competencies "is to improve human performance at work".

A review of the literature by Hoffmann (1999) shows three main positions taken toward a definition of the term. Competencies were defined as:
1 observable performance (Boam and Sparrow, 1992; Bowden and Masters, 1993);
2 the standard or quality of the outcome of the person's performance (Rutherford 1995; Hager *et al.*, 1994); or
3 the underlying attributes of a person (Boyatzis, 1982; Sternberg and Kolligian, 1990).

Hoffmann (1999) developed a typology of the meanings of competency, as illustrated in Figure 1, to show that the term has several meanings depending on the purpose for which it is used.

Wynne and Stringer (1997) define competencies simply as "the things people have to be, know and do, to achieve the outputs required in their job". Heffernan and Flood (2000) suggest "competence based HR processes are based on the belief that it is possible to identify and isolate the behaviours exhibited more consistently by excellent performing employees than average performing employees". Stuart and Lindsay

(1997) define competence "as a statement of value accorded to another within a particular organisation – the value that is placed on a manager who is able to perform and 'be' in ways that are highly valued and required by the organisation". Rowe (1995) defines competence as "a skill or standard of performance reached while 'competency' refers to a behaviour by which it is achieved ... One describes what people do while the other focuses on how they do it".

Rowe (1995) explains in further detail, as illustrated in Figure 2, the interface between competence and competency.

As Hoffmann (1999) notes "the term competency is multi-faceted ... The shifting definition has brought with it a degree of confusion over the nature and concept and its application".

Woodruffe (1990, 1991), in Hayes *et al.* (2000), argues that competencies should be the common language of the human resource system. According to him, "they provide the dimension against which people should be assessed for readiness or potential to move into jobs against which they should be appraised and upon which they should be developed".

Moving on from simply defining competencies, Burgoyne (1990), in Hayes *et al.* (2000), argues that much time has been wasted on debating whether any two managerial jobs are the same. He advocates "at higher levels of abstraction they are similar but at the level of detail they are all different". Albanese (1989), in Hayes *et al.* (2000), asserts that "no single set of

competencies can fully capture the mystery of the managerial role and that there are many job-specific skills that influence effectiveness in particular managerial roles".

Approaches to competencies

Heffernan and Flood (2000) outline two approaches to competencies, first the US approach and second the UK approach.

The predominant US approach portrayed by Boyatzis, Ulrich and others defines competency as the underlying attributes of a person. It is largely an input-based approach, defining the inputs needed to demonstrate competent performance.

In contrast, the UK approach sees competency as a set of performances and standards. Boam and Sparrow (1992), among others, are part of a group of mostly English authors who proposed that competency was best used as a measure of output learning. Training and assessment of performance was the thrust of this approach.

Stuart and Lindsay (1997) suggest "each model is incomplete and therefore lacking as a comprehensive frame for understanding and working with managerial competence. Neither approach adequately defines managerial competence in terms of the context of the organisation, its culture, marketplace and business environment".

As Rowe (1995) notes, "clearer terminology would permit more effective use of any models we might employ".

The IPMA Web site states "competency models have become a dramatic resource in refocusing people on what it takes to succeed in today's workplace environment".

The potential for competency models in the Irish hotel sector: hotel management Skillnet

At the initial stages of the Skillnet project, discussions took place with industry experts, which lead to the establishment of key result areas for the industry. These key result areas in turn led to the development of competencies and behavioural indicators.

Competencies are the skills, knowledge, behaviours, and attitudes required to perform a role effectively. A competency is therefore a word that can be used to describe a feature of a person's ability to perform their job effectively.

When using a competency-based approach, the focus is on the behaviours that are necessary to perform the job. In other words, *competencies focus on how the job or role is performed by identifying those behaviours*

Figure 1
Typologies of meaning and purpose of the term "competency"

	Individual	Corporate	Purpose
Output	Performance Standards	Benchmarks	**Performance based objectives (Training)**
Inputs	Knowledge, skills and abilities	Distinctive Strengths	**Subject matter Content (Education)**

Figure 2
Interface between competence and competency

Competence	Competency
Skill-based (hard competences) →	Behaviour based (soft behaviours)
Standard Attained What is measured ←	Manner of behaviour How the standard is achieved

that contribute to achieving effective performance. Each individual competency consists of a number of observable behaviours (i.e. behavioural indicators) that are relevant to the performance of the role.

Competency frameworks are considered to be beneficial in that they assist jobholders to contribute significantly to their personal development by enabling them to understand clearly what is required to perform effectively in a particular role, as well as in a wider context (i.e. throughout the industry). They also provide a framework within which to develop tools and techniques designed to improve performance further.

Competency models and clusters.

Individual competencies were combined to form a competency model framework. Middle management competencies were initially divided according to the competency clusters used by the Irish Public Service Centre for Management and Organisational Development (CMOD). This competency cluster was the result of three years' research by CMOD involving a number of international consultancies as illustrated in Table I.

The CMOD research served as a useful guideline. However, for practical purposes it was considered more appropriate to link the middle manager competencies according to relevant key result areas, thus incorporating the need to be practical and make competencies relevant to day-to-day work.

Unlike generic competency modelling, such as that undertaken by CMOD, the Skillnet project afforded the opportunity to design robust task analysis questionnaires in an industry-specific context. As a result, the competency model was tailored specifically to hotel middle managers within Irish three-star hotels.

The advantages of developing an industry specific competency model included:
- Increased identification with, and sense of ownership of the model.

- Employees themselves defined the competencies, thereby making them industry-specific.

Competencies and key result areas

In addition to clustering competencies, it was also possible to map competencies to key result areas. This approach was adopted within the current project and lead to a sharper definition of relevant behavioural indicators. Most competencies are necessary to perform more than one aspect of the job. For example, effective communication is necessary when delivering customer care as well as for managing staff. The key result areas provide a useful framework in which to illustrate, in a practical way, the relevance of the competencies as illustrated in Figure 3.

Methodology

With regard to sample size, the breakdown is as follows:
- 42 three-star properties were involved in the study;
- the total number of people who participated in data gathering was 59;
- of these, 21 were general managers;
- 38 were middle managers, of whom 12 worked in food and beverages;
- 17 worked in accommodation;
- nine were unclassified (duty managers, assistant manager);
- the average number of rooms was 64 (range from 28-300);
- 36 per cent were rural and 64 per cent were urban properties;
- 56 per cent were independent and 44 per cent were group properties; and
- additional industry members and a steering committee group who are representative of industry were consulted in depth throughout the research.

Table I
Competency clusters (CMOD)

Cluster	Manager competencies
Personal effectiveness	
Competencies that determine how we manage ourselves	Teamwork
	Effective communication
	Enthusiasm
Thinking style and problem-solving ability	
Competencies that relate to effective analysis and problem solving	Strategic thinking
	Problem solving
Group and interpersonal	
Competencies which determine how we affect desired responses in others and relate to those around us	Customer service focus
	Leading for results

Figure 3
KRAs, competencies and behavioural indicators
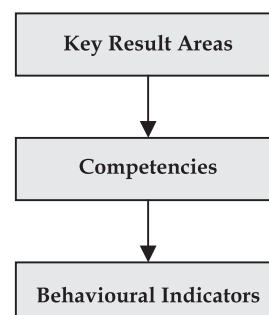
Following the needs analysis, it was concluded that:
• The research needed to be time efficient and job relevant to secure contribution from job holders.
• All data gathering should be face to face.
• Data gathering and follow-up interviews needed to be completed at the place of work.

Resulting from these conclusions, it was decided not to employ a generic competency model, but to customise a tool utilising the insights gained from industry experts during the needs analysis stage of the project.

Three main types of data gathering tools were used to design the competency framework as follows:
1 a customised hospitality sector task analysis and functional interview;
2 critical incident technique;
3 repertory grid technique.

Combinations of these techniques were used with the sample group. Both general managers and middle managers participated. General managers were included as they had an overview of the key result areas for the industry and of the competencies required by middle managers.

They were also able to provide valuable information on their own role, thus giving insights into necessary development initiatives for the transition from middle to general manager.

Functional interview and task analysis questionnaires

For each of the five key result areas that were identified during the needs analysis stage, each participant was asked to rank the tasks listed and indicate which tasks they spent most, and least, time on and to rate each task with respect to perceived importance.

The critical incident interview technique

The objective of this technique was to identify the key skills or attributes of the job that differentiated between success and failure at critical times.

A "critical incident" is defined as "an infrequent or one-off event that has occurred in the past, where the successful or unsuccessful handling of this event has had a significant impact on the performance of the individual in the job or achieving the job objectives. It must have a start, middle and end. This individual must have been personally involved, and the outcome must have had a significant effect upon the performance of the job".

The outputs from this were behavioural indicators that were then translated into competencies to build the competency model.

The repertory grid interview technique

This technique was used to identify the key skills or attributes that differentiate between effective and less effective performers.

This consists of a structured interview technique conducted with the general manager to assess what makes one person more effective than another on different aspects of the job. As an example, one person might establish rapport with customers more quickly than another. This would then be further explored.

The advantage of such a process is that the general manager actively thinks about what distinguishes between more and less effective performance. This approach complements the information that is gleaned from the critical incident interview and from the task analysis questionnaire.

On analysis, this process resulted in a list of key competencies for effective performance on the job, as well as the corresponding behavioural indicators that came from discussion and examples.

Research findings

Analysis of discussions and interviews with industry experts during the initial stages of the project produced five key result areas that would serve as important driving forces for middle managers (MMs)/general managers (GMs). These key result areas are listed as follows.
• customer care (MMs and GMs);
• quality and standards (MMs and GMs);
• managing staff (MMs and GMs);
• achieving profitability (MMs and GMs); and
• growing the business (GMs only).

General managers and middle managers were also asked to review the activities listed in the customised "hospitality sector" task analysis questionnaire and indicate:
• Activities that they considered most important.
• Activities that required most time.

The information gathered was then used to guide the development of a competency model and relevant behavioural indicators for effective middle managers, which can be used to inform the design of training and development tools in the second phase of the project.

The key results areas of "customer care", "quality and standards" and "managing staff"

were all perceived as relatively similar with regard to time and importance by middle managers. However, "achieving profitability" was seen as highly important but with a disproportionate amount of time being spent on activities directly related to achieving this goal. A fifth key result area, "growing the business", was applicable to general managers only, indicating the strategic nature of their position.

The task analysis questionnaire facilitated the production of a list of the 20 most time-consuming activities and 20 most important activities as shown in Table II.

Following discussions with industry experts and the project's steering committee, a series of job analysis techniques with middle and general managers and use of the CMOD competency framework, the following hotel sector competency model emerged as shown in Table III.

Each competency has specific behavioural indicators indicating the level of competency.

Three levels of competency have been devised as shown in Table IV.

Levels of competency have been devised for each competency; however, for the purpose of this paper only two are illustrated, as shown in Tables V and VI.

Criticism

Some authors appear to be cynical and advise caution in relation to the competency movement.

Jubb and Robotham (1997) state that "while the competence approach would appear to offer a framework for organisations to focus their training resources more effectively, it is also an approach whose validity has not been proven … many questions … have not been satisfactorily answered". They also consider whether it is either desirable or possible to attempt to develop generic managers.

Sparrow (1995) cautions that "a critical review of attempts at integration suggest that application of competency based approaches

Table II
Time and importance of activities

	Most time		Most important
1	Maintaining good relations with customers	1	Maintaining good relations with customers
2	Observing and monitoring performance to ensure dept/hotel operates efficiently	2	Observing and monitoring performance to ensure dept/hotel operates efficiently
3	Motivating staff to meet goals	3	Motivating staff to meet goals
4	Meeting and greeting customers	4	Finding new ways to improve performance of your dept/hotel
5	Finding new ways to improve performance of your dept/hotel	5	Meeting and greeting customers
6	Liaising with staff to ensure co-ordination of hotel/dept activities	6	Setting performance goals and objectives
7	Directing that work be redone to meet standards	7	Making sure staff continuously meet hotel standards
8	Ensuring staff continuously meet hotel standards	8	Resolving individual complaints
9	Controlling salary and wage costs	9	Liaising with staff to ensure co-ordination of hotel/dept activities
10	Performing day-to-day administrative tasks	10	Dealing with dissatisfied customers
11	Inspecting guestrooms, public areas and grounds for cleanliness and appearance	11	Recognising and rewarding staff performance
12	Assigning duties to employees	12	Introducing policies for health and safety, hygiene, security and public liability
13	Comparing costs and income	13	Directing that work be redone to meet standards
14	Being actively involved in providing departmental services to guests	14	Comparing costs and income
15	Ensuring smooth running of functions and meetings	15	Monitoring customer satisfaction
16	Introducing policies for health and safety, hygiene, security and public liability	16	Inspecting guestrooms, public areas and grounds for cleanliness and appearance
17	Scheduling staff rosters, shifts and holidays	17	Organising training for new staff
18	Resolving individual complaints	18	Informal job and performance discussions
19	Forecasting future demands and service level requirements	19	Forecasting future demands and service level requirements
20	Setting performance goals and objectives	20	Identifying trends in customer needs

Table III
Hotel competency model

Competency	Behavioural indicators
Teamwork	Works effectively with others to achieve shared objectives. Contributes to sense of camaraderie and strengthens collaboration across departments
Leading for results	Gets the best from staff. Encourages them to take responsibility for own work. Provides regular feedback. Deals with any staff issues effectively. Is aware of their own impact on other members of staff and manages this appropriately. Proactively strives to retain effective staff
Effective communication	Appreciates the need for communication to achieve results and maintain motivation. Conveys messages persuasively, in ways that are acceptable to others. Listens attentively to what people have to say to get a true and accurate understanding
Customer service focus	Aims to exceed customers' expectations. Demonstrates a high level of concern that they have enjoyed their visit. Does not lose sight of business needs when trying to ensure customer satisfaction. Makes a strong, positive impression on customers
Planning and organising	Plans effectively to ensure that things happen on time. Thinks ahead to pre-empt issues that could arise and ensures these are dealt with in advance. Prioritises own workload to reflect needs of the business
Problem solving	Deals effectively and calmly with difficult or unforeseen situations. Readily identifies solutions that are satisfactory for those concerned
Financial awareness	Remains aware of the financial impact of their and others' actions. Actively strives to meet targets for own area, and finds ways of improving the business
Enthusiasm	Is committed to their role, the staff, and the property. Shows interest in the hotel and contributes positively to shaping this. Adapts easily to change and challenges the way things are done. Is responsible and trustworthy
Strategic thinking	Has a vision for the future of the department/property and effectively communicates this to others, ensuring that the hotel is continuously working towards this vision. Identifies and implements ways of improving the business.

Table IV
Level of competency

Level	Middle management	General management
1	Operational	
2	Operational – strategic	
3		Strategic

within organisations has fallen behind advances in strategic human resource management and that there is a need to shift application towards more future oriented and strategic contexts".

Cornford (2000) shows that "studies indicate some major problems with competency based training which have not achieved stated objectives of increasing skill levels".

Burgoyne (1990), in Hayes *et al.* (2000), advises caution against the competency movement. He is not convinced that lists of managerial competencies have universal application.

Mirabile (1997) advises "competency models provide potentially valuable information, but they're useless if there's no coherent and systematic implementation strategy for leveraging the information. It is

necessary to have the right content, processes and support structures in place".

In this light, competencies are viewed as a component of an effective HR system.

Linking key result areas, competencies and behavioural indicators

Customer care
Based on research to date, it was found that middle managers considered the following activities to be most important within the key result area of customer care:
- maintaining good relations with hotel customers;
- meeting and greeting customers;
- resolving individual complaints;
- dealing with dissatisfied customers;
- monitoring customer satisfaction.

Interacting with customers appeared to be of high importance for middle managers. The majority of their time was also spent on this.

Middle managers spent a high proportion of time "actively providing department services to guests", despite considering it unimportant to their role.

The customer care key result area was considered a priority activity for the following reasons

- personal nature of hotel business;
- limited back-up in terms of supervisory/ management team;
- small size of many hotels.

Possible implications for middle managers would include the development of good interpersonal skills. There would also be a need to have policies in place to deal with common issues and to introduce empowerment programmes (to facilitate delegation and so free up middle managers).

Relevant competencies include:

- leading for results;
- effective communication;
- customer service focus;
- planning and organising;
- problem solving;
- enthusiasm.

Quality and standards

Based on research to date, it was found that middle managers considered the following activities to be most important within the key result area of quality and standards:

- making sure staff continuously met hotel standards;
- introducing standards and policies for health and safety, hygiene, security and public liability;
- inspecting guestrooms, bar/restaurants, public areas and grounds for cleanliness and appearance.

Middle managers rated "inspecting the appearance of their department" higher in terms of time than importance.

"Performing day-to-day administrative tasks" required a substantial amount of time, but was not considered very important.

Middle managemers were more "operational" than strategic with respect to "introducing and maintaining standards". They tended to be involved in the "hands-on" implementation, rather than initiation of such standards.

Activities involving a more strategic approach towards maintaining standards for and quality of customer care were rated as less important than the "hands-on" implementation. Most managers expressed a preference to take a step back from

Table V
Competency level: teamwork

Level 1	Level 2	Level 3
Communicates expectations clearly with staff	Educates the team both formally and informally about the hotel and their roles within it	Provides support for management team
Does not dominate team situations		
Participates in operational work in order to achieve results	Inspires loyalty to themselves and to the business from staff	
Sees own team as part of the wider hotel team and the mutual impact of this	Focuses on people's positive points and builds on these	
Proactively builds a strong team through communication and motivating others		
Does not ask people to do things that they would not do themselves		

Notes: Works effectively with others to achieve objectives. Contributes to sense of camaraderie and to strength of relationships across departments

Table VI
Competency level: planning and organising

Level 1	Level 2	Level 3
Takes responsibility for effective staffing levels in own area	Plans collaboratively with other departments	Ensures co-ordination of all areas to achieve objectives
Plans effectively to ensure that own department runs according to plan	Balances long- and short-term perspectives when planning	Manages own time to ensure maximum effectiveness
Supervises work of the department effectively	Plans in advance to minimise last-minute crises	Gets others to plan jointly across departments
Manages own time to ensure priority work is complete		Works to standardised procedures
		Getting the paperwork completed

Notes: Plans effectively to ensure that things happen on time without problems. Thinks ahead to pre-empt issues that could arise with certain events or bookings and ensures these are dealt with in advance

operations and train/empower their staff to complete routine activities, allowing them to supervise and identify opportunities for improvement.

Managers highlighted the need for relevant staff training across a range of areas (e.g. HACCP) to facilitate the maintenance of standards and quality.

The quality and standards key result area was considered a priority activity for the following reasons.
• increased competition;
• more discerning customers; and
• legislative requirements.

Possible implications for middle managers include a need to develop a suitable industry standard for the three-star sector. Streamlining of industry quality standards is advised to eliminate any confusion that might exist. Resources and expertise are required to plan and implement quality systems. An increased level of awareness and knowledge is required in relation to legislative standards.

Relevant competencies include:
• customer service focus;
• problem solving; and
• enthusiasm.

Managing staff
Based on research to date, it was found that middle managers considered the following activities to be most important within the key result area of managing staff:
• observing and monitoring performance to ensure department/hotel operates efficiently;
• motivating staff to meet goals of the department/hotel;
• setting performance goals and objectives for reporting areas;
• liasing to ensure co-ordination of departmental/hotel activities;
• recognising and rewarding staff performance.

Recognising and rewarding staff performance was highlighted as being of extreme importance but little time was spent on it.

Activities relating to personnel planning, selection, training and performance appraisal were allocated little time and considered to be of less importance than operational activities, due to time constraints.

Managers spent most of their time on operational activities. The majority emphasised they would prefer a less "hands-on" approach, allowing them to focus their time on developing their staff and other personnel issues.

This key result area was considered a priority activity for the following reasons:
• high staff turnover required middle managers to involve themselves continually in recruitment and training;
• increased numbers of culturally diverse staff.
• personal nature of the hotel business required high levels of people skills;
• staff shortages;
• improved productivity requirements.

Possible implications for middle managers include a strategic and proactive approach to human resource management. There is also a need for greater human resource planning, performance management strategies, career planning and human resource development. Reward systems, both financial and non-financial, are required to reduce staff turnover and increase employee satisfaction.

Relevant competencies include:
• planning and organising;
• leading for results;
• effective communication;
• enthusiasm; and
• teamwork.

Profitability
Based on research to date, it was found that middle managers considered the following activities to be more important within the key result area of profitability:
• comparing costs and income;
• forecasting future demands and required service levels;
• planning for and assigning budgets to the departments;
• controlling salary and wage costs; and
• planning and assigning hotel budgets.

These activities were ranked lower overall than other activities among middle managers' key result areas. Middle managers stated they were not generally involved in the financial side of running the hotel, although many expressed an interest in becoming more involved. General managers believed middle managers needed to become increasingly financially focussed.

The key result area of profitability was considered a priority activity for the following reasons:
• the need to control costs due to increased costs of staff and other inputs;
• the growth of other service providers (pubs, restaurants), competing with hotels, particularly in food and beverage areas;
• increased competition for capital investment; and
• the need to provide adequate return on investment for shareholders/owners.

Possible implications for middle managers include a need to generate increased awareness of strategic issues at a middle managerial level. Also steps may need to be taken to reduce the level of operational activity by middle managers, thus generating more time for the development of a strategic focus.

Greater use of computerised control systems is required and an awareness of the contribution of good human resource practices to increase business effectiveness and profitability is necessary.

Relevant competencies include:
• financial awareness;
• strategic thinking; and
• enthusiasm.

Application fo competency frameworks

Competency frameworks can be applied in many ways and offer an integrated approach to human resource management. Applications include 360-degree feedback, succession planning, training and development, recruitment and selection, and performance appraisals. Mirabile (1997) suggests that competency models can be the first step in developing job profiles and in rating an employee's level of competence against a model or profile.

Rowe (1995) notes that a competence-based approach to training and development came to the fore during the late 1980s/early 1990s. Various lead bodies such as the Management Charter Initiative (MCI) were set up to oversee the introduction of competence-based qualifications in particular work areas. MCI refers to four levels of management (senior, middle, first line and supervisory) and identifies four roles of management (operations, finance, people and information) which are dissected into units and elements of competence.

Bergenhenegouwen *et al.* (1997) argue "the compelling reason for switching to a competence-based organisational type is the improvement of the organisation's level of performance and the creation of a competitive advantage".

Parallel studies

A number of studies have been conducted in the area of competencies across a spectrum of industry sectors. A brief insight is given into some of the key findings from these studies.

Heffernan and Flood (2000) distributed 500 questionnaires to HR managers in the Irish Republic in companies employing 50 or more employees. The following emerged as the key findings:
• Organisational characteristics impact on the adoption of competencies, particularly company size and length of time in operation.
• Organisations which already have sophisticated and well resourced HR processes in place are more likely to use competencies.
• Organisations, which are performing well, are more likely to adopt competencies.

Stuart and Lindsay (1997) developed a framework of managerial competence, as illustrated in Figure 4, which is embedded in the context of the organisation, its culture and its environment.

As Bergenhenegouwen *et al.* (1997) highlight, "the content and form of core competences are created through the connections between the organisation's objectives, strategy, structure and culture as well as its management concepts, the expertise of its employees and the degree to which the employees are appreciated by the management".

A recent Irish Management Institute Report (n.d.) found that 57 per cent of respondents already use competencies. Of respondents, 20 per cent indicated that their main reason for adopting competency frameworks is due to the clear focus it gave in providing clearer definitions of roles and requirements of roles. For most organisations the ultimate aim of the introduction of competencies is the achievement of a single coherent system that ensures their human resource processes support the fulfilment of business objectives. However, nearly half of the respondents using competencies indicated that it was within an *ad hoc* system with very little integration between all HR processes.

Middle management was identified most often as the level where competencies were first introduced and then at senior management level. Over half of the respondents used consultants in designing and implementing their competency frameworks. In terms of using competency frameworks, over 80 per cent of organisations use the frameworks for recruitment and selection; 78 per cent of respondents use them in training and development and 74 per cent use them in performance management. The majority of respondents indicated that the HR manager was the person for the implementation of competencies at an organisational level.

The key learning points of this study include top management support, clarity of purpose, communication and involvement of employees, phasing the implementation, follow up on results, feedback and maintaining strategic alignment with organisational values and goals.

Another study, entitled *A Benchmark of Personal Excellence for the Owner Manager*, conducted by IBEC, SFA and SHL (n.d.) established a competency-based development model for owner managers of SMEs in Ireland. The overall aim of this study, which commenced in 1995, is to sustain and increase the number of competent owner managers in the Irish economy through innovative approaches to learning and development. The specific approach taken is a competency-based approach which identifies the key skills, qualities, personality traits and knowledge which differentiate between more effective and less effective owner managers.

This competency model is based on the following four areas: people orientation; analytical capability; strategic vision; and energy for enterprise. The core competencies emerging from the validation process of isolating the key competencies showed the following to be the most relevant: determination to achieve; commercial appreciation; future oriented; two-way communication; analytical decision making; relationship building and maintaining; persuading and the commitment to development.
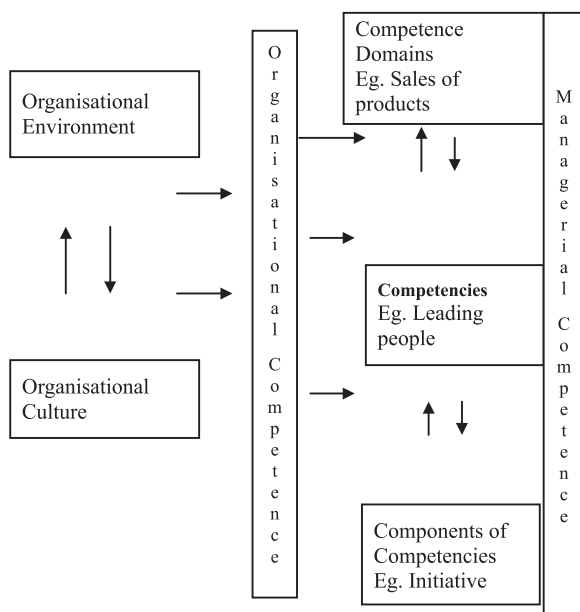
McBer and Company (n.d.), a consultancy, has developed a managerial competency questionnaire (MCQ) which measures a manager's use of seven competencies found to distinguish successful managers from average performers. The seven competencies are achievement orientation, developing others, directiveness, impact and influence, interpersonal understanding, organisational awareness and team leadership.

These studies provide a framework for the identification and use of competency frameworks in other industry sectors.

Conclusion

This paper is based on a working project, "Hotel management Skillnet", which was due to be completed by December 2001. This project seeks to identify the competencies required by middle managers in the three-star Irish hotel sector, and thus bring an innovative and fresh approach to HRM. In-depth secondary research complements the competency framework provided. This completes phase 1 of the project.

Phase 2 applies the competency framework to developing recruitment and selection, training and development, and performance appraisal tools. Implementation of the competency framework is discussed in a second paper.

Figure 4
A contexually embedded framework of managerial competence in organisations

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