

# **Challenge To Managers: Changing Hotel Work from a Secondary Choice to Career Development**

by  
Leonidas Chitiris  
Lecturer in Management  
Piraeus Graduate School of Industrial Studies  
Athens, Greece

*Surveys and interviews with hotel employees in Greece with regard to why individuals work for hotels and to what extent their rationale to join the hotel industry affects hotel productivity revealed that the choice to work in hotels is a secondary preference and reflects the opportunity structure in the economy at any given time and the greater the number of those who work in hotels when there are no other employment opportunities, the less likely the chances for overall improved performance. Given the increase in the proportion of unskilled, unmotivated workers, the level of hotel productivity consequently decreases! The author interprets the findings in terms of the economic and employment conditions in the Greek hotel industry.*

Research on initial entry into the labor force has shown that new employees reflect idealized expectations and are frequently not very satisfied with their jobs and roles in the work settings.<sup>1</sup> Research on job satisfaction, motivation, and production purports that management can initiate policies that develop job satisfaction and may improve productivity.<sup>2</sup> Other research has documented the importance of work design and job design.<sup>3</sup> Little prior research has studied the effects of beliefs and satisfactions of hotel industry employees.<sup>4</sup>

In recent years the importance of tourism and hotels in Greece has increased, providing employment opportunities to many people, while jobs in other sectors of the private economy are limited. The opportunity structure in the hotel industry provides more chances for jobs than other areas for those seeking employment. During the 1975-1985 period, the number of foreign tourists who visited Greece jumped from 3,172,986 to 7,039,428 persons, an increase of 122 percent, while foreign exchange was also increased by the same percent. The average annual rate of increase in arrivals for the same period was 9 percent, while the equivalent rate for foreign exchange was approximately 10 percent, in U.S. dollars. This extremely large increase in arrivals resulted in an increase to the number of beds from 185,275 in 1975 to 348,171 in 1985.

The classification of hotels in Greece is based on tangible physical aspects of hospitality and ranges from deluxe class (L) to fifth class hotels. This hierarchy of hotels does not correspond exactly to that existing in the U.S. or Europe, where stars are used for distinction, but it is very much the same with regard to how those involved in the hotel industry view the hospitality product. Table 1 presents the hotel capacity in beds, according to the classification of hotels between the years 1975 and 1985.

The majority of hotels established in Greece are owned and operated by independent hoteliers, while some deluxe and first class hotels are under semi-government control or belong to few hoteliers. These hotels, although bearing the same name, cannot be considered as hotel chains because there are no formal management practices and/or established operating procedures. Five of the most successful franchisors in the hotel field, among them the Hilton and Holiday Inn corporations, operate six deluxe class hotels (20 percent capacity in beds of this class) under the franchising or the management contract system.

The quality of service in hotels is affected to a great extent by the number of guests a hotel employee has to serve. In Greece this ratio ranges from 2 to 3 guests per employee for the deluxe class hotels and from 3 to 5 for first class hotels.

**Table 1**  
**Hotel Capacity In Beds In Greece, 1975 and 1985**

Hotel Class	1975		1985		
	No. of Beds	Percentage of Beds Per Hotel Class	No. of Beds	Percentage Beds Per Hotel Class	Percentage of Increase Between 1975 & 1985 Approx.
Deluxe (L)	11,116	6%	20,266	7%	182%
First Class (A)	36,307	20%	73,961	23%	204%
Second Class (B)	54,393	31%	80,064	25%	148%
Third Class (C)	51,181	28%	97,608	31%	191%
Fourth Class (D)	20,599	11%	28,970	9%	141%
Fifth Class (E)	6,945	4%	15,164	5%	218%
Establishments of several categories not classified as hotels	4,734		32,138		
<b>TOTAL</b>	<b>185,275</b>		<b>348,171</b>		

The organizational structure of hotels in Greece depends on the hotel size, as well as on the hotel manager's administrative knowledge. The greater the number of services offered, the greater the departmentalization in hotels. A typical organizational structure, which is very much alike, does exist in deluxe class and first class hotels. With regard to hotels of lower classes, no typical organization is found; some functions in these hotels are overlapping and lines of authority are not followed.<sup>5</sup>

No official records are kept regarding the number of people employed in hotels of all categories, either by hotel management or by state agencies. According to the figures presented by the union of hotel employees, as well as the chamber of hotels, the number of hotel employees is approximately 85,000 out of 200,000 working in the broader tourist sector.

The status of the Greek hotel employees is summarized in the following:

- More than 50 percent of hotel workers are not professional (i.e., they do not have any qualification, nor they have received any official training, either on the job or away from it).

- The casual workers constitute 60 percent, if not more, of the hotel staff during peak periods. This is very common in the resort hotels.

- The existing level of job security is very low, while the rate of the labor turnover is very high, ranging from 40-70 percent.

- Most Greek hotels set the wages paid in line with the guidelines of the National Collective Bargaining System. These wage scales are considered by most hotel workers to be low when compared to the wage scales of workers in other industries and not rewarding of the effort exerted.

- Tipping of hotel staff is very common practice in Greece, as well as in most countries on the world. Tips are considered as a right of hotel employees and as part of normal earnings.<sup>6</sup> It usually constitutes one half or more of total gross pay and in most cases can act both as a financial incentive and as an achievement and recognition motivator.<sup>7</sup> Hotel managers in Greece use tipping as an argument for paying low basic wages.

- No incentive schemes are applied (i.e., the remuneration is not linked to productivity), apart from very few hotels, where salaries paid are linked to productivity, but not in all departments).

- Career opportunities do not really exist.

The status described above does not seem to be too different from what another sample taken in the U.S.<sup>8</sup> or Great Britain, for example, might be.<sup>9</sup>

## Study Examines Job Rationale

The purpose of this study was to examine what rationale hotel employees used when they initially decided to accept a job in the hotel industry, and what the effect was of this rationale on hotel productivity. Although there is no consensus on a particular definition of productivity,<sup>10</sup> for the purpose of this study hotel productivity is perceived as the labor productivity.

In order to answer these and other related questions, a survey was carried out in 10 deluxe class hotels and 10 first class hotels located in Athens and Corfu; 283 employees working in reception, restaurant, kitchen, and housekeeping departments were interviewed. The top managers and heads of departments were also interviewed. Table 2 presents the population of the sample.

**Table 2**  
**The Population of the Sample**

Sample Profile	No. of respondents				TOTAL
	Area A		Area B		
Hotel Class	Deluxe Class	First-Class	Deluxe Class	First-Class	
<b>Employee Categories</b>					
Reception staff	20	8	14	17	59
Restaurant staff	25	8	25	33	91
Kitchen staff	24	8	12	16	60
Housekeeping staff (maids)	24	10	20	23	77
Total	93	34	71	89	287
<b>Management</b>					
Top Management	5	5	5	5	20
Middle Management	23	20	20	20	83
<b>Number of hotels investigated</b>	5	5	5	5	20

Three different questionnaires were used, one for each category of interviewee, containing particular questions on joining the hotel industry and on hotel productivity. The measurement on variables was based on an ordinal developed scale.<sup>11</sup>

Regarding hotel productivity, the managers and heads of departments who participated in this study based their answers mainly on two indices which they used, among others, for measuring productivity:

- a)  $\frac{\text{Guests served}}{\text{Manhours of work spent}} \times 100$  and b)  $\frac{\text{Total work cost}}{\text{Sales Revenues}} \times 100$

Measuring productivity is not an easy task, particularly in hotels,<sup>12</sup> but if these two widely-used indices are based on reliable data, they are very useful tools for measuring employee productivity.

### **Findings Vary**

Given the situation with respect to wage systems, incentive schemes, job insecurity, and lack of a career advancement in the Greek hotel industry, it is not easy to identify the reasons why individuals join the industry. The SPSS statistical package was used to analyze questions asked, with cross reference to other issues and findings from more detailed statistical analysis.

- **Secondary occupational choice.** Analyses of the findings show that many individuals in Greece turn to employment in the hotel industry only after they have found a shortage of job openings elsewhere. The opportunity structure influences the choice, and hotel industry jobs are, for most, not a primary choice. Analysis of the reasons given for accepting employment did vary for those working in different departments of the hotel (see Table 3). For example, 87 percent of maids, 66 percent of restaurant staff, and 48 percent of the kitchen staff found "shortage of other employment opportunities" as either "very important" or "important" reasons for initially working in hotels.

- **Wage and salary levels.** Salary level, taken alone, was found not to play any significant role in the person's initial decision to work in a hotel. Responses indicated that, regardless of class and of hotel department, employees considered the level of salary/wages paid "not at all important" in a percentage greater than 90 (see Table 3). But when salary was combined with interest in the job and class of hotel, it then became a factor in their decision to work in a given hotel. Employees knew that in some hotel departments (restaurant, housekeeping, and reception) gratuities were in addition to the standard wage or salary.<sup>13</sup>

- **Interest in jobs.** "Interest in the job" was important for those employees who worked in the reception (60 percent), restaurant (45 percent) and kitchen (57 percent) departments. But for those in the housekeeping department, their job held little interest (see Table 3). Was the nature of work in different departments of the hotel a critical variable? The reasons given for decision to work in the hotel were found to vary significantly by department. Those who joined the housekeeping and restaurant departments did so more to avoid current unemployment and to get on a payroll, whereas those who were more interested in hotelwork joined the reception and kitchen departments. As Table 4 shows, the relationship was significant at the .01 level using the Kruskal-Wallis test.<sup>14</sup>

**Table 3**  
**Percentage of Hotel Workers and the**  
**Reasons They Work in Hotels**  
**Departments**

Reasons for Working in Hotels	Reception				Restaurant				Kitchen				Housekeeping			
	Level of Importance				Level of Importance				Level of Importance				Level of Importance			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all
Shortage of Other Employment Opportunities	27	10	12	51	50	16	9	25	46	2	1	41	74	13	5	8
Salary/Wage Level	0	3	5	92	0	1	8	91	0	2	5	93	0	1	0	99
Interest of Job	41	19	15	25	32	13	15	40	41	16	10	33	6	3	10	81
By Chance	30	17	9	44	18	13	11	58	15	21	8	56	21	29	5	45
Other Factors <sup>a</sup>	0	100	0	0	0	100	0	0	0	0	0	100	100	0	0	0

<sup>a</sup> Number of respondents = 7 for reception; 2 for restaurant; and 1 for housekeeping departments.

**Table 4**  
**Association Between the Reasons for Working**  
**in Hotels and the Departments**

Reasons for working in Hotels.	Chi Square Value +	Level of Significance	Departments			
			Reception	Restaurant	Mean Rank**	
			Kitchen	Housekeeping		
(1) Shortage of Other Employment Opportunities	33.0914	.0000	183.8	141.6	158.9	104.5
(2) Salary/Wage Level	.8205	.8446	140.7	140.4	143.6	151.1
(3) Interest of Job	46.5251	.0000	112.9	135.1	119.7	197.5
(4) By Chance	4.9955	.1721	129.3	155.	153.	135.3
(5) Several Reasons*	—	—	—	—	—	—

\* Too little data (n = too small) to compute any meaningful level of association.

\*\* High value of ranks means low level of importance. Low value of ranks means high level of importance.

Mean rank = the average rank of the ranks assigned for each row.

+ Values in this column represent the values of the chi-square distribution with k-1 (3) degrees of freedom which are used as the decision criterion for rejecting or not rejecting the null hypothesis ( $H_0$ : no relationship between the reasons for working in hotels and the departments.)

The "by chance" reason for working in hotels was found to be very important or important for more than one third of the hotel employees in Greece (see Table 3). Under this heading were those employees who specified that they worked in hotels because they wanted a part-time job, students who worked during their holidays to earn some money, and students who attend two year programs in hotel management and must practice in hotels for at least four months as a prerequisite to get their professional diploma.

• **Influences on employees' decisions.** The hotel classification did make a difference in the rationale used in making a decision to work in a given hotel. Responses indicated that employees from deluxe class hotels believed that they had greater possibilities for higher job security than those employed in first class hotels. In particular, in the first class hotels, "shortage of other employment opportunities" was important for 75 percent of the respondents. Employees in the deluxe hotels gave diverse responses on this criterion, with 53 percent saying either "important" or "very important," yet 40 percent said "shortage of other employment opportunities" was not at all important (see Table 5).

The relationship between class of hotel and concern over shortage of other jobs was significant at or beyond the .01 level (see Table 6). To test this relationship, the Mann-Whitney test<sup>15</sup> was used to compute the mean ranks assigned between each reason for working in hotels and the hotel class. The profile for "interest in the job" was not homogenous, but varied within the class of hotel and between classes. Overall, more hotel employees said the work was "not important" than indicated they were "very interested" in their work, regardless of class of hotel.

From the first class hotels, 57 percent said "interest in work" was not important at all, while 29 percent indicated that "interest in the job" was either "very important" or "important." The dichotomy was greater in the deluxe hotels with about the same ratio regarding "job interest" as either "very important" (37 percent) or "not important at all" (39 percent). These percentages lead one to assume that employees from deluxe class hotels believed that they had greater opportunities to do the kind of work they were interested in, than those employed in the first class hotels. Overall, one third or more of employees, regardless of class of hotel, were "interested" in their work (see Table 5). The relationship between class of hotel and interest in the job was found to be significant at the .02 level (see Table 6).

### **Dynamics of Economic Conditions Have Influence**

Some insight into the dynamic interplay of employee rationale that may influence productivity was revealed by cross-tabulation analysis and by logical analysis. Results showed that as "shortage of other employment opportunities" increased in importance, the level of productivity became lower. The Kendall's Tau (B) coefficient of correlation was -14.36 at .01 level of significance. This negative correlation provides support to the idea that those who were seeking employment

**Table 5**  
**Reasons for Working in Hotels According to**  
**Hotel Class and Hotel Area**

Reasons for Working in Hotels	Class of Hotel								Area							
	De Luxe (L)				First Class (A)				Athens				Corfu			
	Level of Importance				Level of Importance				Level of Importance				Level of Importance			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all	V. Important	Important	Fairly Important	Not at all
Shortage of Other Employment Opportunities	39	14	7	40	69	6	12	13	32	17	9	42	65	7	8	20
Salary/Wage Level	0	3	6	91	0	0	2	98	0	4	5	91	0	0	4	96
Interest of Job	37	13	11	39	17	12	14	57	34	13	11	42	25	11	15	49
By Chance	24	21	7	48	16	18	10	56	34	23	4	39	10	20	12	58
Other Factors*	-	-	-	-	25	75	0	0	17	83	0	0	0	100	0	0

\* Number of respondents = 4 for first class hotels; and 6 for Athens and 4 for Corfu.

**Table 6**  
**Association Between the Reasons for Working**  
**in Hotels and Hotel Class**

Reasons for Working in Hotels	Z Value +	Level of Significance	First Class Hotels	De Luxe Class Hotels	Mean Rank**
1) Shortage of Other Employment Opportunities	-5.2156	.0000	116	163.6	
2) Salary/Wage Level	2.1985	.0279	149.4	140.2	
3) Interest of Job	3.6977	.0002	164.3	129.9	
4) By Chance	1.7136	.0866	153.3	137.5	
5) Several Reasons*	—	—	—	—	

\* Too little data (n = too small), to compute any meaningful level of association.  
 \*\* High values of ranks mean low level of importance. Low values of ranks mean high level of importance.  
 + Z = The value of the normal distribution (Z) used as the decision criterion to reject or not to reject the hypothesis that no significant relationship between the reasons for working in hotels and the hotel class individuals joined.

and actually turned to the hotel industry only as a secondary occupational choice were for the most unskilled, non-qualified, and without interest in the hotel job. The hotel industry did provide a job where they could put in time and collect a paycheck.

Salary/wage level taken alone was reported not to have an automatic effect on productivity. Even for those employees who stated that salary/wage was an important consideration in accepting the job in the hotel industry, the salary per se did not have an effect on productivity level (Kendall's Tau B = 0.07). This finding supports the idea that attention be given to more intrinsic aspects of work and a broader approach to job satisfaction, which includes the relationships between work, family, and community roles.

In countries where salary/wage scales were set at the national level, the work considerations, from viewpoints of both the hotel managers and hotel employees, were perhaps not formally entered into.

When there is widespread, low-level interest in the job, then one may presume that top performance is not likely to result. Indirectly, lack of interest in job may be associated with lower levels of productivity. Perhaps the level of productivity may be influenced not only by interest, but also the level of importance that hotel workers attribute to their job.

In this study, the reason "interest in the job" was found not to be correlated to hotel productivity level. Mixed findings have been reported in other research. "Interest in work," "importance of job," and "job satisfaction" do not always lead to increased productivity or effectiveness.<sup>16</sup>

### **Conclusions Reflect Employee Need**

On the basis of findings, the greater part of the current hotel staff did not select hotel work as their primary occupational choice, although a smaller number of current employees are interested in hotel work. Many of these hotel employees are young people who have idealized initial job expectations. They tend to start dissatisfied or easily become dissatisfied with their initial work roles.<sup>17</sup>

Some job choices by hotel employees were made with regard to the class of hotel, and the type of work to accept within the hotel itself. The wage/salary levels were not found to be a decisive factor for individuals to join the hotel industry. This can be attributed to the fact that hotel employees' rewards are not connected with their efforts. With regard to hotel productivity, this study revealed the reason "shortage of other employment opportunities" was found to be negatively related to hotel productivity; this negative correlation is explained by the fact that those who join the hotel industry are not skilled to perform at an acceptable level and they are not actually interested in this industry, or they do not like the job they do. It seems to be, in this case, a problem of occupational choice.<sup>18</sup>

Hotel productivity was not found to be affected by the level of importance hotel workers attached to the reasons "interest in the job" and "by choice."

The findings of this study were based on research conducted in

Greece. It would be unusual if similar results were not found among many hotel employees in other countries. In hotel situations similar to those described, it is generally recommended that hotel managers take some time to examine the nature of the current interests of their staff rather than treat them as a homogeneous group. The challenge is to take a new look at the diverse nature of interests among employees, which vary by type of work and degree of initial disinterest in the work. It is suggested that the hotel industry in Greece and other countries with similar circumstances could benefit from a general human resources development plan in five phases that would be adapted to local conditions:

First, conduct a survey to assess the interest and needs for workshops for managers and tourist professionals on such topics as guest service, tourist potential in given settings, new approaches to effective management of employees, and facilities to accomplish organizational objectives and other topics.

Second, in the session on effective management, define one of the problems in terms of the diversity of employees. Recognize the temporary nature of some beginning employees, but give attention to the diversity in the recruitment and selection procedures. Try out a variety of approaches with employees. The Job Diagnostic Survey<sup>19</sup> is only one example of a tool to use to find out the employees' interests and skills. It is possible to move from extrinsic interests to intrinsic interests in work.

Even the temporary, disinterested employee with high sense of job insecurity may, with career development experiences, eventually become a productive and reliable employee with job security in a career.

Third, have on-site orientation and training, not only about the particular job, but about the hotel's mission and the image of quality services to its guests. As part of the training, identify each employee's interests by regular review with each employee. In many hotels, self-supervision of employees is assumed. Flexible management may include such techniques as job rotation with different assignments and job enrichment with new roles and responsibilities as work is redesigned. Such efforts will include team building and participation in decision-making so as to produce synergy among the work groups of the hotel as a whole.

Fourth, establish performance criteria and productivity measures that include guest satisfaction, and not merely output per man hour as important; financial incentive schemes; and job enrichment and possible promotion in a career ladder, in line with performance. There are many types of performance appraisal systems that could be used. Umbreit, *et al.*,<sup>20</sup> recently pointed out to *Cornell Quarterly* readers that performance appraisal may be used within the hotel industry, if attention is given both to equity and efficiency. One approach that may be feasible is called "gainsharing," which links gains in productivity to a type of profit sharing systematically defined.<sup>21</sup>

Fifth, as a part of long term career development plans, encouragement and support through incentive and tuition support programs

could be given to employees to attend courses that pertain to the hotel, hospitality, and tourism field.

The real challenge for hotel managers is to actually implement the action plan with the work force in human resource development and career development. In those settings where no such plans exist and the list of problems among hotel employees includes many of those reported in this study, hotel managers and the professional associations have an opportunity for leadership.

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*Note: The material in this paper is adapted from an unpublished doctoral dissertation in the department of management at the University of Kent, U.K., 1984. The author would like to express his gratitude and appreciation to Prof. Stanley Soles for his helpful comments and important contributions on an earlier version of this paper.*