THE HRM FUNCTIONS IN MICRO AND SMALL HOTEL ENTERPRISES IN OPOLE PROVINCE

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Abstract
The aim of this article is to explore the present status of performance of human resource management (HRM) functions within the area of organizational solutions, as well as human resources planning. The article is a research study and presents current organizational solutions for managing human resources in micro and small hotel enterprises located in Opole Province, as well as makes an attempt to identify the factors that determine the present form of the performed tasks in this dimension. It also emphasizes the significance of the human resources in the context of the effectiveness of micro and small hotel company.

Introduction

According to the UE definition micro firms have fewer than ten employees and small businesses have from 10 to 49 employees. Nowadays micro and small organisations operate in a highly competitive and changeable environment. While searching for the sources of reaching and maintaining advantage over the others, micro and small companies more and more frequently turn to human capital considered to be one of their most valuable

Hotels are tourist entities that are of significance in the creating added value tourist chain. The particular role of human resources in a hotel causes the fact that the number and qualifications of employees shape the level of supply and the quality of provided services (Nadiri, Tanova, 2010; Ratajczyk, 2014; Tokarz, 2008, p. 41).

Micro and small hotels are particularly sensitive to the external changes in their environment (Borkowski, Wszendybly, 2007, p. 33). Moreover, they need to overcome problems arising from the seasonal character of tourist demand which forces to undertake actions of the anticipation character within the HRM (Listwan, 2010, p. 79; Golnau, 2007, p. 92; Lipowska, 2012) since they constitute one of the basic conditions for effectiveness of a hotel.

The article aim is to explore the present status of the performance of the HRM in micro and small hotel enterprises in Opole Province.

Results

In this paper the documentation method and a diagnostic survey method (PAPI) were applied with technique of a structured interview. In the first phase of the research, an analysis was performed of the statistical material from the secondary sources, in order to carry out an inventory of the hotels located in Opole Province. The empirical research was conducted from December 2014 to January 2015 among the owners and managers of 16 randomly selected micro and small hotel enterprises from Opole Province. A detailed scope of this research included business solutions within the HRM functions.

The most popular legal and organisational forms among the surveyed hotels were: a limited liability company (6 enterprises), a registered partnership (5), self-employment and a private partnership (2 of each). There was only one cooperative in the analysed sample. Small enterprises employing up to 50 people constituted the majority among the analysed hotels (13 hotels) and microenterprises employing up to 10 people came second (3).

As far as a capital ownership is concerned, the entities in which capital is owned by a domestic investor were predominant among the surveyed hotels (13). There were only two entities to be found among the analysed group which represented a foreign investor and one with mixed capital. Entities that had been functioning on the market from 1 year to 10 years constituted a half of the analysed group (8 enterprises). There were also five among the surveyed hotels that had been operating on the market from 11 to 20 years. The entities that have been in the market for a period from 7 to 10 years had the smallest share in the analysed sample (1) as well as these that had been functioning for over 20 years (3 entities).

In the survey, the owners and managers of the hotels were asked to specify business solutions applied within the HRM functions. In the vast majority of the surveyed entities (88%) the HR department was not distinguished within the organisational structure. Only two of the surveyed hotels had such a department (Table 1). It should be noted that distinguishing this department in the analysed group is connected neither with the legal and organizational form of an enterprise (in the group there were: a cooperative and a registered partnership), nor the size of company (micro and small company), nor the size of employment (9 and 22 employees respectively). The respondents asked why the HR department had not been created in their hotel replied: ‘there is no need to create it’, ‘we have been functioning without it for a long period of time and we think it is unnecessary’, ‘the current
solution is entirely satisfying', 'a separate HR department (...) means the necessity to create further work posts and (financial) burden for the company'. The respondents also stated as their reason the fact that creating the HR department was unjustified due to a low number of employees (in case of microenterprises but also for the hotel employing 40 people).

The lack of a structurally distinguished HR department means that in the surveyed enterprises all the tasks connected with HRM are the responsibility of the manager/head of the hotel or its owner (44% each). Abandoning the creation of the HR department has a slight influence on outsourcing of the HRM functions. The tasks outsourced to the external companies are most frequently connected with trainings (38%), in two of the analysed enterprises this concerns the area of remuneration as well (12%). Most surveyed hotels (62%) showed that they in the entire scope performed the necessary tasks within the HRM functions (Table 1).

It was also verified to what extent the hotels used services of consulting companies in HRM functions. Only three of the analysed entities stated that they used such services – one in the scope of legal services (drawing up agreements with employees, legal advice), the second in good industrial practices, the third – employee recruitment.

Respondents were also asked about activities in the areas of planning and allocation of HR. More than half of the surveyed enterprises (56%) didn’t make forecasts of supply and demand for diagnosis associated with staffing needs. In the analysed group 38% took action in this respect consisting, to a large extent, in current adjustment to the market situation by hiring additional, temporary workers (Table 1). The respondents justified the non-creation of

Table 1. HRM functions in micro and small hotel enterprises in Opole Province

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>HRM functions in surveyed hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>specification</td>
</tr>
<tr>
<td>Responsibility of the HRM function</td>
<td></td>
</tr>
<tr>
<td>Manager/Supervisor</td>
<td>7</td>
</tr>
<tr>
<td>Owner</td>
<td>7</td>
</tr>
<tr>
<td>HR/Personnel Department</td>
<td>2</td>
</tr>
<tr>
<td>HRM functions outsourced</td>
<td></td>
</tr>
<tr>
<td>Outsourcing of trainings</td>
<td>6</td>
</tr>
<tr>
<td>Outsourcing of wages</td>
<td>2</td>
</tr>
<tr>
<td>No outsourcing</td>
<td>10</td>
</tr>
<tr>
<td>Diagnosing staffing needs</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>9</td>
</tr>
<tr>
<td>Only in high season</td>
<td>6</td>
</tr>
<tr>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>Participation in management</td>
<td>1</td>
</tr>
<tr>
<td>Personnel improvement plans</td>
<td></td>
</tr>
<tr>
<td>Training for waiters/barista/receptionists</td>
<td>6</td>
</tr>
<tr>
<td>Safety and first aid trainings</td>
<td>6</td>
</tr>
<tr>
<td>Training for managers</td>
<td>1</td>
</tr>
<tr>
<td>Language courses</td>
<td>1</td>
</tr>
<tr>
<td>No training plans</td>
<td>3</td>
</tr>
<tr>
<td>Responsibility for creating staffing plans</td>
<td></td>
</tr>
<tr>
<td>Manager/Supervisor</td>
<td>10</td>
</tr>
<tr>
<td>Owner</td>
<td>4</td>
</tr>
<tr>
<td>HR/Personnel Department</td>
<td>1</td>
</tr>
<tr>
<td>No staffing plans</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Authors' own studies.
such forecasts mainly by the fact that 'the activity of the company is mostly based on permanent employees’ whose ‘rotation outside the season is modest’.

It was only the case of one of the analysed enterprises (6%) that the evaluation of a needed personnel on the basis of the forecasted size of supply and demand constituted a strategic element of HRM. It was carried out once every two quarters and employment evaluation was prepared on its results, encompassing the personnel directly servicing customers, as well as the back office employees. The evaluation of the managing personnel, which supervises and organizes work of the service personnel and working employees, was carried out once every two years and its guidelines were shaped on the basis of the premises of the general company strategy.

In the analysed hotel also a personnel development plan was used and contained information concerning the employees and what particular trainings they had been qualified for, companies providing trainings, duration, techniques and methods of training, costs, as well as people responsible for the obtained results. In the remaining companies personnel development plans most frequently concerned solely dedicated trainings for selected groups of employees – baristas, waiting and bartending personnel, receptionists (38%), as well as obligatory trainings from the area of industrial safety and first aid for all employees (38%). The lowest percentage of indications concerned plans of trainings for the management and language courses (6%). Almost in every fifth analysed hotel no plans were created with respect to personnel development (19%) (Table 1). In this section of the interview questionnaire the respondents could point out more than one answer and therefore the sum of individual answers exceeded 100%.

In most of surveyed enterprises the person in charge of organising the HRM functions was at the same time responsible for employing and properly allocating personnel. In the vast majority of surveyed entities it was the manager (63%) or the owner (25%) (Table 1). In the above mentioned enterprise with personnel development plans, also the employment plan was created – it determined the number of employees, their qualifications, the method and sources for recruitment and/or possible personnel reductions.

Conclusions

The analysis of research results showed that the HRM functions in hotel enterprises located in Opole Province is performed to an extremely limited degree. Only its certain selected elements (mainly short-term) were applied in the most of the analysed entities. Results of our study indicated a strong centralization of decision-making competencies as well. In large part this is due to the unique characteristics of these enterprises that include the concentrated ownership, proximity to external environmental forces, close relations between management and employees, and a large degree of informal practice (Wisniewski, 2013, pp. 121–122; Sekuła, 2013, p. 9). According to our study, the scope of the HRM functions in surveyed hotel enterprises includes often only those tasks that are indicated in the labor law (time charges, remuneration, etc.). Other authors findings (Behrends, 2007; Kitching, 2007; Wilkinson et al., 2007) support this view. The actual financial cost of introducing sophisticated professional HRM practices and their pragmatic viability in case of micro and small hotel enterprises may be disincentive for owners and managers. Moreover, the difficult conditions in which these enterprises need to operate, make long-term HR planning extremely difficult and manifest in searching for cost savings within employment or trainings. In contrast, some evidence shows that HR practices in smaller firms may be more sophisticated than previously expected (Golhar, Deshpande, 1997) and do not differ significantly from large firms (Bacon et al, 1996). Some argue that small businesses are in many ways the ideal site for the development of HRM because of the direct communication,
flatter hierarchy, greater flexibility and clearer impact of each employee on organizational performance (Sels et al., 2006). This may be the sign that tourist managers have insufficient knowledge of how to formulate a good HR strategy and enough time for it as they are focused on the day-to-day business. Therefore, this could be an incentive to pay more attention to hospitality networks and forums where owners and managers could reflect about current HR practices and get customized advices or tools (Garavan, ÓCinnéide, 1994).

In hospitality intense and direct relationships with the guests, the multiplicity of tasks and responsibilities that can’t be postponed cause that any staff shortages can lead to difficulties in maintaining a high standard of services (Faulkner, Patiar, 1997; Bukowska, 2013) that may negatively affect the organization’s image (Redman, Matthews, 1998). The human capital is probably the most valuable element of company assets and the smaller the company is, the more qualifications and efficiency of individual employees have an influence on its functioning and future (Sekula, p. 104; Borkowski, Wszendybyl, 2007, p. 159; Ratajczyk, 2014). Studies by McEvoy (1984), Marlow and Patton (1993), Dun and Bradstreet (2001) revealed effective HRM to be a good predictor of small business survival. In micro and small hotel enterprises attracting and retaining high quality and competent employees enable to develop and maintain competitive advantage and thereby sustain superior performance in the longer term (Zheng et al., 2009; Loś, 2014). There is a positive relationship between HR practices and innovativeness (De Winne et al., 2010; Jiang et al., 2012; De Spiegelaere et al., 2014; Schmelter et al., 2010; Puciat et al., 2012) that shape economic and financial status, and prospects for development of the enterprise.

The research results are limited, as they focused on a small sample of enterprises in Opole region. This research should be extended to include a larger number of entities.

References


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