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**The Perceptions of Strategic Human Resource Management
Among Hotel General/HR Managers on Employee Performance-
A Case Study of Hotels in Queenstown, New Zealand**

A thesis
submitted in partial fulfilment
of the requirements for the Degree of
Master of Commerce and Management

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by
Dela Awo Mansa Agbodo-Otinpong

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It has been acknowledged by several researchers that effective strategic human resources management (SHRM) practices have the potential to enhance employee performance. The primary objective of strategic HRM is to integrate HRM within the organisation's strategy and apply specific sets of human resource systems, thereby managing employees more efficiently, resulting in employee improved performance and increased productivity. However, most studies related to SHRM are based in manufacturing industries while the service industry, particularly the hotel sector, has received little attention. The hotel industry is recognised to be labour intensive, and it is widely noted to have a poor reputation for in handling HR-associated matters. The purpose of this study was to examine how strategic HRM impacts employee performance using a case study of selected hotels in Queenstown, New Zealand. This case study site is a key destination for tourists visiting New Zealand and has experienced exponential growth in tourism over the past decade. An in-depth qualitative study was used to assess the perceptions by SHRM of HR/general manager's on employee performance, the study established that chain hotels, by virtue of having standardised HR practices, demonstrated better application of SHRM than the small independent hotels which were found to be more reactive in their approach. The study also concluded that irrespective of the managers experience in hotel industry, the context and environment one finds himself or herself in determines whether he/she can become SHRM compliant or not. More widely, the findings from this research will inform discussions about whether SHRM might contribute to enhancing employee performance in the hotel industry.

Keywords: Employee performance, strategic human resource management, human resource management, hotel industry, service industry

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Chapter 1

Introduction

This thesis examines the perceptions of Hotel/HR and general managers in Queenstown, New Zealand around the issue of Strategic Human Resource Management on Employee Performance.

The tourism industry is one of the most important contributors to the NZ economy with tourism expenditure contributing \$13.4 billion to New Zealand's total Gross Domestic Product (Statistics New Zealand 2014). In particular, the role of accommodation is vital within the strategic value chain. The subsector of hotels represents a large amount of capital and human investment and so the thesis concentrates on hotels to the exclusion of other forms of accommodation. In this regard, the consumers of the accommodation sector are buying into not only to the facilities provided in terms of tangible resources – bedrooms, restaurants, and other facilities – but also crucially to the levels of service provided by staff.

The thesis is based in one of the most popular and important areas for NZ tourism – Queenstown, where Human Resource Management is an acknowledged challenge.

Legge (1995) introduced the idea that much of the conceptualisation of “human resource management”, as it had arisen in the 1970s, was more ‘rhetoric’ than ‘reality’ as much of the preceding research was based not on empirical studies but on new conceptualisations. Key studies included those of Keenoy (1990); Guest (1991) and Storey (1995). However, despite the prevalence of these and other models, Legge asserted that in reality the human resource department or function was in fact not consulted on strategic matters but instead was used generally at the implementation stage of any change process. Legge was supported in this by authors such as Purcell (1989) who complained that ‘no one is listening to the personnel (sic) department’ and celebrated ‘Personnel earns a place on the Board’ (Purcell, 1989).

Unfortunately, the space occupied by this area of research is complicated by the lack of consistent application of the terms used by different researchers. For example, Ritson (1999) criticised the inconsistency and different terminologies used in the literature regarding what constitutes human resource roles, outcomes and processes. Ritson (1999) further stated that the roles of personnel staff interviewed were also inconsistent. Indeed, this confusion led to the idea of a dichotomy of structures: the criticism of Legge (1995) and others concentrated on the structure of a department –

yet the day-to-day 'reality' of managing human resources was a far more widespread function, and indeed was within the ambit of the line managers. While the HR or Personnel Department created processes and artefacts to assist the line managers – application forms, salary scales, appraisal systems – it was the line managers which were ultimately responsible and could be said to be at the forefront of strategic change in the area of HR. The advent of team work, self-directed, cross-functional, etc., and the concept of de-layering hierarchical models of organisation resulting in the empowerment and 're-engagement' of staff were not specifically HR related, but strategic initiatives from the line, based on the need for increased performances by way of cutting costs. In this way the advent of 'strategic' HRM (SHRM) evolved (Bamberger & Meshoulam, 2000; Lengnick-Hall & Lengnick-Hall, 1988; Schuler & Jackson, 2005).

However, there exist formal conceptions of human resource management which emanate from the realities of experience by professionals in the area. The UK's Chartered Institute of Personnel and Development (CIPD) for example uses four distinct areas of HR in its professional standards: these are resourcing, reward, relations and training (CIPD Publications 2014).

1.1 Statement of the problem

This study examines managers' perception of how SHRM influences employee performance in the hotel sector. By conducting research in only one sector (in this case hotels), researchers can establish the main issues considered significant by participants within the sector and evaluate distinctive strategies the organisations utilise as a way to enhance their performance.

The outcomes of research in HRM and performance in a single industry weight more significant outcomes than cross-industry research because economic environments are presumed to be constant for all organisations in the same industry (Boxall & Purcell, 2003; Guest, 2011). From the viewpoint of the quality of data, Choi and Dickson (2009) consider that conducting research across different industries results in the data producing confounding errors and/or error discrepancy. By conducting research in one particular industry the possibility of risk is reduced, however, it does also reduce the ability of the result of the study to be generalised.

The hotel industry is labour intensive and is widely noted to have a (poor) reputation for its ability to handle HR-associated matters (Wilton, 2006). These HR issues include under-staffing, high staff turnover, poor training, employee theft and sexual harassment (Fitzgerald, Brignall, Silvestro, Voss, & Robert, 1991; Kaplan & Norton, 1996; Poulston, 2008; Shenhar & Dvir, 1996).

For the past two decades, the hotel industry was identified as being “*a sector dominated by the spirit of amateur management*” (Parsons & Cave 1991) as quoted in Guerrier and Deery (1998, p. 151). Riley (1993) as quoted in Wilton (2006) also referred to the management style of the hotel industry as being ad hoc, reactionary, lacking in formality, and most highly informed by the need for continuous labour manipulation in response to volatile market demand.

Another noted characteristic of the hotel industry is, “*the pressing needs of the immediate and recurrent often drive out longer-term consideration*”, reflecting a hands-on, functional, rather than a reflective, strategic management approach (Hales & Tamangani, 1996, p. 748). Nankervis (2000) suggests that the hotel industry lacks any strategic long term directions and this was emphasised by Rowley and Purcell (2001) who stated that little deliberate strategic planning and development or cohesiveness of HR functions exists within the industry. This was further confirmed in research conducted by Lockyer and Scholarios (2004) who surveyed over 80 hotels and found there is a general lack of systematic planning like recruitment and selection in the industry. Various researchers Tsaur and Lin (2004); Davies, Taylor, and Savery (2001); Cho, Woods, Jang, and Erdem (2006a) and Torrington and Taylor (2009), have also focussed on four key SHRM concepts namely: recruitment and selection, training and development, employee compensation and performance appraisal in various contexts. These studies concluded that the majority of HR professionals lack a broader understanding of how these concepts can enhance employee performance and recommended further studies on these four SHRM concepts in other contexts. Therefore, this study seeks to explore managers’ perceptions of these four SHRM concepts on employee performance in the hotel industry.

To reshape the image of the industry, Brien (2004) suggests that SHRM practices be developed and implemented cooperatively by academics, researchers and hotel practitioners. Brien warns that failure to form and implement such a plan will see the industry experiencing an increase in HRM related problems in the future. The present study can be viewed as a response to the call for further research in this area, thus, the question of whether SHRM contributes to better employee performance in the hotel industry remains highly relevant. This study does not address performance measurement, but focusses on documenting managers’ perception of how strategic HRM impacts employee performance.

1.2 Research aims and objectives

This study examines managers’ perception of how SHRM influences employee performance in the hotel industry. The question to address in this study therefore is:

What are managers’ perception of SHRM’s impact on employee performance?

Using the base of hotels in Queenstown, New Zealand, as a case study, the following objectives were developed:

1. To understand (via interviews) hotel General and HR Managers perceptions of how SHRM impacts employees performance.
2. Analyse (via) content analysis, the interviews to establish themes.
3. To promulgate the findings of this research to the hoteliers in Queenstown.

This research is intended to make a contribution to literature related to strategic human resource management in the hospitality industry, from the base of hotels in New Zealand.

1.3 Study location

This study was focussed on the South Island of New Zealand, primarily Queenstown. Queenstown has demonstrated exponential growth in tourism over the past couple of years (Tourism New Zealand, 2015). Queenstown is rated globally as one of the world's top holiday destinations. For example, in 2013, Queenstown was named as one of the World's Top 25 Travellers' Choice Destinations by Trip Advisor¹, and fourth friendliest city in the World by the Condé Nast Traveller Reader Survey².

Queenstown is a key destination site for tourist visiting New Zealand. At the end of May 2015, out of 874,729 international visitors to New Zealand, 120,799 (representing about a seventh) visited Queenstown. At the same time, domestic guest nights for the year ended May 2015, compared with the previous year rose 1.7 percent to 1,020,343. During the peak seasons, which is late December to March, then in July and August, tourists outnumber locals by a ratio of 3 to 1 (Statistics New Zealand). This suggests that there will be pressure on the hospitality infrastructure, employers and employees with possible high labour turnover in the hotel industry that suggests such an environment like Queenstown has to adapt to these conditions by strategically planning and fitting into it (Yang, Wan, & Fu, 2012). This then leads to the question: How can SHRM be implemented in a labour intensive industry like the hospitality industry?

¹ Trip advisor is a website that claims to conduct unbiased reviews for travel. See <http://www.tripadvisor.com>

² Condé Nast Traveller Reader Survey is a magazine which is a trusted source for comprehensive listings for hotels, resort, cities, airlines and cruise lines. This magazine has been in existence for over 25years and conducts yearly reviews on tourism. See <http://www.cntraveler.com/travel-awards/readers-choice-awards/>

As will be demonstrated in Chapter 2, the success of the implementation of SHRM in labour intensive industry are mostly dependent on their human capital (Poulston, 2008).

1.4 Structure of the thesis

The following chapter, **Chapter 2**, discusses the relevance and benefits derived from the hospitality industry globally and in New Zealand. This is discussed in terms of how the hospitality industry impacts economic growth and job creation. This chapter also highlights the HRM challenges encountered by the hotel industry.

Chapter 3, reviews the HRM literature through various definitions, theoretical perspectives and processes before broadening the discussion to SHRM, and its application to the hospitality industry and to employee performance.

The research methods and design is described in **Chapter 4**. This chapter begins with a philosophical discussion surrounding various research approaches and sets the context for the research method adopted in this study. This chapter also includes a discussion of study design, data analysis procedures, and ethical considerations, all of which are provided to promote research transparency and to allow this work to guide others should they wish to embark upon similar endeavours.

Chapter 5 presents the results of the qualitative data analysis. Results from the analysis are also presented in this chapter.

In **Chapter 6**, the findings are discussed in relation to four predetermined SHRM concepts: recruitment and selection; training and development; compensation and; performance appraisal. This chapter also discusses emerging themes from the research question.

Chapter 7 concludes the thesis with a review of the contributions made to theory, policy and to practice. The study limitations and suggestions for further work are discussed.

Chapter 2

The Global Tourism Industry

The tourism industry has been argued to be one of the most important global industries in the service sector (Jones, Hillier, & Comfort, 2014; Whitla, Walters, & Davies, 2007). In 2014, the sector supported almost 277 million jobs, or 1 in 11 jobs worldwide and generated about US\$7.6 trillion, which is 9.8% of global GDP (World Travel & Tourism Council 2014). The World Travel & Tourism Council (WTTC) estimated that by the end of 2015, Travel & Tourism is expected to contribute US\$7,860 trillion, 10% of global GDP, and to account for 284 million jobs, 9.5% of total employment.

The total contribution of Travel and Tourism to global GDP is expected to increase by 4.2% per annum to USD 10,695.1 trillion (10.3% of GDP) by 2024 with Travel and Tourism expected to rise by 2.4% pa to 346,901,000 jobs in 2024 (10.2% of total) in 2024. This makes the Travel and Tourism sector an important economic activity around the globe.

2.1 HRM in the hotel sector

This section presents the HRM implications in the hotel sector. The apparent lack of a HRM philosophy in hotels is based on the view that human resources is not seen as a source of competitive advantage (Hoque, 2013; Kelliher & Perrett, 2001; Wilton, 2008).

Lockyer (2007); Poulston (2008) and Enz (2009) describes the hospitality industry as a “people industry”. Thus, the people-centric nature of the industry therefore makes it extremely dependent on its workforce. Researchers such as Kusluvan, Kusluvan, Ilhan, and Buyruk (2010) and Hoque (2013), state that the industry is labour intensive and provides flexible employment opportunities therefore appealing to certain groups of employees such as students, school leavers, housewives and migrant workers seeking seasonal or part-time employment (Boella & Goss-Turner, 2013). Ladkin and Riley (1996), were of the view that these people are particularly attracted to the hotel industry because the majority of the jobs in the industry are unskilled and/or semi-skilled which by nature can easily and quickly be learnt on the job. Riley (1996) stated that nearly two-thirds (64%) of hospitality jobs are estimated to be unskilled or semi-skilled. What aggravates this issue according to Hjalager and Andersen (2001) is the fact that a large proportion of employees occupying various positions in the hotel industry have no formal academic qualification related to the industry or in other fields. These industry characteristics have created certain perceptions in people. For instance, Lockwood and Guerrier (1989), alleged that the low-skilled, low-quality status of employment associated with the

hotel industry creates an impression that the hotel jobs are of low social status done by low-status employees, who are not loyal and uncommitted (Rowley & Purcell, 2001). Some researchers for example, Whittle et al. (2007); Knox and Walsh (2005) and Marco-Lajara and Úbeda-García (2013) believe that the main reasons why the hotel industry attracts certain kinds of employees may be due to the poor reputation for its conditions of service, heavy workloads and long working hours, high stress, low pay rates, few promotion opportunities and poor job security and low morale.

The hotel industry is also characterised by high staff turnover rate (Davidson, Timo, & Wang, 2010; Iverson & Deery, 1997; Kusluvan et al., 2010). In the United States, for example, the average job tenure in the hotel industry was estimated to be one and a half years (Woods, 1999) whereas in the United Kingdom, job tenure of 18 to 24 months is viewed as normal (Rowley & Purcell, 2001). Other researchers such as Moncarz, Zhao, and Kay (2009) ; Lee and Way (2010) and Yang et al. (2012) also state that the industry is faced with high labour turnover rates which can range from 60% to 300% that might be due to seasonal fluctuations, a low-skilled labour market, and part-time employee in the hotel environment. The occurrence of high turnover in the industry seems to have created a certain culture which has been accepted by both employers and employees as normal (Iverson & Deery, 1997; Yang et al., 2012). However, some researchers, for example Iverson and Deery (1997); Rowley and Purcell (2001) and Lucas and Deery (2004) argue that the high turnover rate has benefits for employers especially with fluctuating customer demand which, is associated with seasonality issues.

Lucas and Deery (2004) however, advise that the high turnover rate in the hotel industry is highest and more pronounced especially at the operational level, thus among front line employees and according to Karatepe and Uludag (2007), the success of hotels is not only dependent on the frontline staff but also those in the back office.

Another characteristic associated with the global hotel industry is the dominance of Small and Medium sized Enterprises (SMEs) which are highly fragmented and independently owned which may also have a negative impact on HRM usage in the hotel industry (Bastakis, Buhalis, & Butler, 2004; Nolan, 2002; Page & Connell, 2006; Pikkemaat & Peters, 2006). SMEs have been identified as typically lacking professionalism and business skills and short of financial capital which produces poor organizational performance. Baum and Hagen (1999) argues that such businesses (SMEs) do not necessarily have the capacity, capability, resources or commitment to support the HR development function in a manner that would enable them to compete with their larger counterparts.

Therefore, increasing global competition and increasing operational costs drive hotels to emphasise satisfying the needs and demands of guests, more than employees. Pikkemaat and Peters (2006) classified hotels employing less than 15 employees as SMEs while in related studies by Page and Connell (2006) in the United Kingdom observed that 87 per cent of hotels and restaurants employ between 1 and 10 people with an average of 4.5 workers. Other studies in Scotland and New Zealand reported that 80 per cent of all hotels, plus 90 per cent of tourism businesses, are considered to be in the small firm category (Baum & Hagen, 1999; Page & Connell, 2006).

The low level of unionisation has also been recognised as another key characteristic of the global hotel industry. Researchers such as Bernhardt, Dresser, and Hatton (2003) and Lucas (1996) noted that in both the United States and United Kingdom membership to trade unions of employees in the hotel industry has traditionally been very low. In the United States it has been estimated that the unionisation level of workers in the hotel industry is 14 per cent (Tanke, 2001) lower than 18 percent in Australia (Piso, 1999). The low unionisation in the hotel industry has been attributed to a varied number of reasons including the large number of SMEs and independently owned in the industry, high levels of part-time work and workers and the influx of unskilled and semi-skilled employees (Knox & Walsh, 2005; Piso, 1999). In addition to these, the management strategies and attitudes towards trade unions is not favourable (Edralin, 2010).

In accepting the aforementioned literature on challenges of HRM in the hotel industry, researchers such as by Wirtz, Johnston, Sin Seow, and Zheng (2009) and Ishak et al., (2011) support the argument of others such as Haynes and Fryer (2000); Hoque (2000); Melián González (2004) and Altarawneh and Aldehayyat (2011) that regardless of the numerous negative characteristics associated with the hotel industry, there is empirical evidence that best HRM practices are adopted in the hotel industry. For instance, (Forte Hotel Group) Erstad (2001), (Five Star Hotel) Haynes and Fryer (2000), are typical examples of the large hotels that have been found to practice contingent HRM approach, an evidence of best HRM practice. This suggests that human resource practices change depending on hotel size.

It is worth noting that although the present study is New Zealand-focused, understanding the characteristics of the global hotel industry and the HRM concerns could prove helpful in providing broader insight into the hospitality industry in New Zealand.

2.2 The tourism industry in New Zealand

New Zealand represents a varied multicultural populace, a temperate climate with limited seasonal variation, a well-preserved natural environment, and a well-established tradition of culture and sport (Morgan, Pritchard, & Piggott, 2002). Tourism New Zealand (2015) adds that the above factors,

coupled with a highly committed marketing and tourism development strategy, has made New Zealand a very popular destination for global tourism (Tourism New Zealand, 2015).

Tourism (including the hotel sector) in New Zealand has become a major driver of the economy and with a Tourism Strategy ("100% Pure"), the industry is seen to have strong growth and prospects regardless of the pressures facing the global tourism industry (Tourism New Zealand, 2015).

In March, 2014 fiscal year, the tourism industry received an estimated 2.6 million visitors, almost 2% more than the total visitors in 2013 (Statistics New Zealand 2014). For the fiscal year ending in March 2014, the total tourism expenditure in New Zealand was \$23.8 billion, with \$9.6 billion coming from international visitors, accounted for 15.3% of total export earnings and \$13.4 billion raised domestically; this expenditure contributed \$13.4 billion to New Zealand's total Gross Domestic Product (GDP). According to Statistics New Zealand (2014), for the year ended March, 2014, the employment generated by the tourism industry was 94,100 full-time-equivalent (FTE) employees, which is 4.7% of the country's total FTE employment.

Statistics New Zealand (2014) has identified that one area within the tourism industry that has seen a considerable amount of growth is the accommodation sector, which comprises hotels, motels, motor inns, apartments, backpackers, and holiday parks. Statistics New Zealand (2014) performance data shows that the hotels outperformed their counterparts in other categories of the accommodation industry by recording 33.1 million guest nights in short-term commercial accommodation (ended March 2014), a 4.2 percent increase compared with the year ended March 2013. This follows an increase of 0.2 percent in the year ended March 2013 and a decrease of 0.5 percent in the year ended March 2012.

Tourism activity (of which hotels are a component) directly generated 6.2 percent of total employment in New Zealand and is 3.3 percent of direct value added to the GDP. The fact that tourism contributes more to total employment than it does to direct value added reflects a higher level of labour intensity in tourism industries (Tourism Satellite Account, 2012) and therefore human resource issues must be taken seriously (Brien, 2004). It is widely held that an effective human resources management (HRM) system will help an organization to attract, develop, motivate and retain the best employees who will, in turn, ensure the functioning and survival of the organization (Delaney & Huselid, 1996).

Regardless of these held views, Poulston (2008) identified similar HRM challenges in the New Zealand hospitality and tourism industry as in the global industry. For example, under-staffing, high staff turnover, poor training, employee theft and sexual harassment. However, under-staffing identified as

the most common recurring problem with approximately 91% of occurrence. Poulston (2008) continues that the prevalence of high staff turnover, poor training and theft suggest serious and persistent management inadequacies. Prior to these findings, Brien (2004) had suggested that strategic HRM practices be developed and implemented cooperatively by academics and the hotel industry associations to reshape the image of the industry and attract new competent applicants. Brien also warns that failure to form and implement such a plan will see the industry experiencing an increase in HRM-related problems in the future. It is therefore not surprising that several researchers such as Brien (2004); Lucas and Deery (2004); Wilton (2008); Enz (2009) and Kusluvan et al. (2010) have called for research in the industry to help improve the overall image of the global hotel industry.

Chapter 3

Literature review

This chapter explores the nature of Human Resource Management (HRM) and Strategic Human Resource management (SHRM) and employee performance through a critical evaluation of existing literature. The main aim is to critique literature, beginning with an examination of Human Resource Management (HRM) as a concept (Section 3.1) and proceed to discuss various definitions given to HRM (Section 3.2). Section 3.3 discusses the various theoretical perspectives of HRM while section 3.4 discusses the definitions and characteristics of Strategic Human Resource Management (SHRM). The chapter further discusses performance in Section 3.5 and draws conclusions from the review in section 3.6.

3.1 The Development and characteristics of the Human Resource Management (HRM) concept

HRM has been argued to have begun in the mid-1970s. Purcell (1999), subsequently, Nankervis, Compton, and Baird (2008) mention that both human resources and personnel as well as HRM (defined in subsequent sessions) have been influenced management theory. The advent of technology, globalisation, and unionism, and changes in society, brought about new management theories (Schuler & Jackson, 2005).

It must be noted that the main foundation of the HRM paradigm is based on employee welfare (Carey, 1999), as first seen in the 1940s with the use of welfare officers in organisations. Nankervis et al. (2008) noted that the welfare and administration stage of the development of HRM was identified as a rigid and mechanistic as it dealt with just hiring, pay and firing employees. A company that aligns itself with this process was run by line managers who performed this function with administrative assistance. This is similar to the classical management approach that follows Taylor's scientific management principles and places emphasis on the drive for productivity rather than on individual employees (Delaney & Huselid, 1996).

Nankervis et al., (2008) outline the next stage of the development of HRM, initially involving the incorporation of staffing and training, and the upsurge of trade unionism. In addition, there was also the background work in behavioural science. In management theory the HR movement began to make a significant impact with the famous Hawthorne experiment" (Mahoney & Deckop, 1986) which showed that for managers to achieve high productivity in their organisation, they should consider the

job design which affected employees' output. Subsequently a focus on quality and strategic outcomes of HRM has grown from the 1970s through to the 1990s. The new millennium saw HR focus on high performance workplaces, talent management, and the re-examination of what strategic HR meant in terms of structure. Human capital and knowledge management became key themes for organisations. Contingency theory in management emerged, with the understanding that there was no one best way, and situational variables dictated the type of formal structure a company would adopt. Thus the overall theory of HRM was developing (Noon, Blyton, & Morrell, 2013).

In the professional sphere, international human resource management (IHRM) practitioners and professional bodies, including UK's Chartered Institute of Personnel Development and the Australian Human Resources Institute (AHRI) emphasised the importance of managing human resources as the key to organisational effectiveness. Further, these professional bodies adopted specific standards and specialist roles emerged in the generic HR discipline in areas such as resourcing and recruitment, reward/recognition, employment relations, and in learning development and training (CIPD 2009).

These matters outlined above have also been argued by hospitality researchers (Hoque, 2013; Lashley, 2000; Yang & Cherry, 2008) that if hotels (being labour intensive) could place more importance on employees and formulate favourable policies around them, then it would be easier to achieve competitive advantage.

The next section discusses some of HRM definitions by analysing the contexts and scope, and then relate them to the HRM processes.

3.2 Human Resource Management (HRM) defined

A number of authors such as Legge (1995) and Storey (1995) have argued that the definition of 'Human Resource Management' is not uniform, and Keenoy (1990) argued that, as 'a wolf in sheep's clothing' its underlying philosophy are highly debateable. Much of this debate originates from the lack of a precise formulation of agreement on its meaning and definition (Storey, 1989). Defining HRM this way is seeing HRM as only providing assistance to employees and those responsible for the organisations' products and services (Boxall & Purcell, 2003; Huselid & Becker, 2005; Noe et al., 2003). However, some researchers Boxall (1995); Paauwe and Boselie (2005) and Buller and McEvoy (2012) believe that the above definitions are more simplistic and that HRM goes beyond just providing assistance, but rather its part of strategy, the plans and methods put in place to achieve planned objectives.

HRM is often regarded as a strategic tool which organisations use to achieve a form of competitive advantage in their operations by utilising its employees effectively. For instance, Storey (2001, p. 6),

defines HRM as a *“distinctive approach to employment management which seeks to achieve competitive advantage through strategic development of highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques”*. HRM, according to Bratton and Gold (2003), is the strategic process of handling employment relations which focusses on impacting employees’ abilities in giving the organisation a competitive advantage. Biesalski and Abecker (2005, p. 192), also define HRM as *“as a strategic and target oriented composition, regulation and development of all areas that affect human resources in a company”*.

3.2.1 Competitive advantage

Another key issue that emerges from the various HRM definitions is its relation to the concept of competitive advantage. For the past two decades, theories of competitive advantage and organisational performance have attracted a lot of attention from both business scholars and Human Resource practitioners (Boella & Goss-Turner, 2013). Hitt, Ireland, and Hoskisson (2012) claims that competitive advantage consists of skills, resources, relations and decisions that allow an organisation to grab positive prospects and to avoid threats in the business environment. Researchers such as Boxall and Purcell (2000) and Ericksen and Dyer (2005) and professional bodies such UK’s CIPD and Australian Human Resource Institute are of the view that HRM can assist organisations to stay in business by attaining superior performance and so competitive advantage. What makes competitive advantage of great importance to organisations is the ever increasing intensive competition in both local and international markets which requires senior managers to strategically manage the link between an organisation and its environment (De Cieri & Dowling, 2006; Schuler & Jackson, 2008).

Several researchers Dyer and Reeves (1995); Delaney and Huselid (1996) and Becker and Gerhart (1996), have proposed varying models to explain the “what” and “how” of HRM. These models provide legitimacy to HRM practices, explain the nature and significance of human resources, provide theoretical frameworks for analysis and the study of HRM and establish variables and relationships within the HRM that needs to, or can be, researched.

3.3 Theoretical perspectives

Three HRM models; the Harvard HRM framework (Beer, Spector, Lawrence, Mills, & Walton, 1984), Guest’s (1987) model of HRM, and Storey’s (1992) hard and soft HRM, are discussed below. These varying theoretical perspectives provide insight into what constitute ‘best’ HRM practices and the benefits that could be derived if these ideas are implemented. Hotels particularly known for their poor HRM practices, could benefit enormously from the knowledge embedded in these theories (Ahmad, Solnet, & Scott, 2010; Armstrong & Baron, 2003).

3.3.1 The Harvard HRM framework

The key foundation of the Harvard framework (Beer et al., 1984) is built on the basis that line managers in organisations have the sole responsibility of ensuring that there is a congruence between organisational competitive strategy and personal policies and that personnel divisions within organisations must have one mission. This implies line managers must ensure that policies to govern personnel activities are in place and implemented in a way that will be beneficial to the employees. According to Beer et al. (1984) there are numerous human resource pressures that confronts organisations and that to be able to effectively find solutions demands a broader and comprehensive analysis. Therefore, Beer and his colleagues advised that there is the need to consider longer term perspectives when planning for managing people. They explain that people are assets to organisations and could be used for competitive advantage and should not be considered just as a variable cost.

The Harvard framework outlines four HR policy areas that managers should consider. Firstly, employees have influence with regards to authority, responsibility and power. Secondly, human resource flows begins with recruitment, selection, promotion, appraisal, and termination. Thirdly, there must be reward systems such as, pay systems and other motivational incentives available. And lastly, work systems must be designed and people aligned to each design. Beer et al., (1984) suggest that once these four policies are in place, it could lead to what they refer to as the four C's or HR policy achievement including; commitment, congruence, competence and cost effectiveness. They further stated that these four C's can be used to measure the long term benefits and costs of human resources policies at the individual, group and organisational levels.

Armstrong and Baron (2003), have chronicled some advantages associated with the Harvard HRM framework. The authors believes that the Harvard framework, (a) incorporates recognition of a range of stakeholder interests, (b) recognises the importance of 'trade-offs', either explicitly or implicitly between the interests of owners and employees and other interest groups, (c) widens the context of HRM to include 'employee influence', and the organization of work and with the associated question of supervision, (d) acknowledges a wider spectrum of contextual influences on the strategy management chooses, and (e) emphasizes how choices are made, thus not contextually or environmentally driven.

Armstrong and Baron (2003) add to the Harvard framework by stating that, personnel management problems such as poor work conditions, low wages, insensitive organisational policies, are historical in nature. They contend that issues can only be solved when general managers develop an attitude of how they want employees to be involved in and developed by the organisation, and also they should

consider what HRM policies and practices need to be in place to achieve organisational goals. Armstrong and Baron continued that if HRM has no central philosophy or a strategic vision – which they believe can only be provided by top managers, HRM is likely to be a set of independent activities with each activity being guided by its own practice tradition. The implication here is that top managers are key drivers of the success of HRM in organisations. Therefore, their beliefs, attitudes and perceptions of HRM are very important. If top managers believe that by implementing HRM they would get the best out of their employees, then they will provide all the resources needed to achieve this aim.

By implication Armstrong and Baron (2003) are encouraging managers to make sure that in planning to implement HRM in their respective organisations, they should take into consideration employees', shareholders (if any) and top management views and concerns. They should take a holistic approach in addition to contextual business environmental issues. The authors' ideas, if taken on board, could be of greater help to the hotel industry as they are noted to be labour intensive and have poor HRM issues (Enz, 2009; Lashley, 2000).

3.3.2 Guest model of HRM

Guest (1987), outlined six HRM dimensions of analysis as; HRM strategy, HRM practice, HRM outcomes, behaviour outcomes, performance outcomes and financial outcomes. He suggests that HRM is distinct from the traditional personnel management because HRM is rooted in strategic management factors as discussed above. Guest was of the view that *HRM strategy* is seen in differentiation (or innovation), focus (quality) and cost (cost-reduction) and these encompasses *HRM practices* such as recruitment and selection, employee compensation, training and development, and performance appraisal. Once these are in place, it tends to produce certain HRM outcomes such as commitment, quality and flexibility. The evidence of these *HRM outcomes* according to Guest (1997) is that *behavioural outcomes* like effort/motivation, cooperation, involvement and organisational citizenship behaviours from employees ultimately culminates into *performance outcomes* such as high productivity, high quality and high innovation and low absenteeism, low labour turnover, low conflicts among labour, and low levels customer complaints.

Researchers such as Hill et al. (1998); Kandampully and Suhartanto (2000) and Bilgihan, Okumus, "Khal" Nusair, and Joon-Wuk Kwun (2011), found various aspects of Guest's ideas being implemented in some hotels, notably the larger (and chain) ones in urban areas. For instance, Ahmad et al. (2010) studied 6 Malaysian five star hotels using multiple case studies and numerous levels of analysis (Ahmad, 2010) and found organisations that differentiate their staffing, training, compensation and

empowerment practices were found to adopt HR 'best practice' and integrate their HR practices in a system. However, Dewhurst, Dewhurst, and Livesey (2007), mentioned that in small independent hotels, the implementation of these ideas could be challenging because most of these independent hotels are SMEs employing 10 people or less, and therefore, do not see the need for the implementation of HRM in full. Guest (1987) is suggesting that a good HRM strategy (which includes the full implementation of all aspects of HRM) maybe profitable to organisations in longer-term.

3.3.3 Storey's (1992) hard and soft HRM

The earliest examples of where hard and soft HRM is used are in the work of (Guest, 1987; Storey, 1992). In trying to define HRM, Guest (1987) came up with two dimensions, soft hard and loose tight HRM. In a similar instance, Storey (1992) also identified two dimensions of HRM as soft hard, weak strong.

Hard HRM

Hard HRM focuses on "the quantitative and calculative business-strategic aspects of managing people, a way as for managing any other factor of production (Legge, 1995; Storey, 1992). According to Legge (1995, p. 66) "*Hard HRM is considering the human resources as passive which managers needs to provide as a factor of production which is needed to do business rather than considering it as having the capability of turning inanimate factors of production into wealth*". Thus, the hard HRM model considers human resources as having no creative energy and that HRM is tough, focusing more on tasks and work designs which must be achieved regardless.

Some researchers have related the hard HRM to the scientific management approach which considers people as passive objects that possess the skills/attributes the organisation requires without due consideration to the humanness aspect of people (Keenoy, 1990; Legge, 1995; Storey, 1995; Truss, Gratton, Hope-Hailey, McGovern, & Stiles, 1997).

Soft HRM

In contrast, soft HRM emphasise 'human' relations aspects. It focuses more on the utilization of individual talents and McGregor's Theory 'Y' perspective on individuals, thus, valuing a high degree of multi-skills which allows staff to work in variety of areas, people having and sharing common culture, and provides opportunities for employee career development (Walton, 1985). Legge (1995) refers to this as "Developmental Humanism" because the soft HRM concerns itself with treating employees as valued assets and a good source of competitive advantage through their commitment, adaptability and high quality skills. Legge (1995) further suggests that it must be noted that employees are proactive in the whole production process as they play key and leading roles, and also employees are

capable of developing themselves and products, and they are trustworthy and can achieve collaboration if they are allowed participation. Thus, the soft HRM version is that aspect of HRM that allows for the release of hidden and untapped human skills and resourcefulness.

This model is significant to labour intensive organisations such as those in the hotel industry in several ways. It is easier to consider human beings as one of the factors of production that could be employed and deployed as and when needed. However, considering human beings this way will take out the resourcefulness and hidden talents which can be tapped for the benefit of the organisation. Therefore, organisations (such as hotels) must find a balance between the costs incurred on bringing in individuals and the contributions they could gain from them in achieving organisational goals and objective.

Using the theories of soft and hard versions of HRM, Ishak, Abdullah, and Ramli (2011) conducted a study and established a direct relationship between high turnover rates in the hotel industry with these theories of HRM. The authors established that high turnover rate above 20% is a clear indication of hard HRM in the hotel industry. Wirtz et al. (2009), in another study, point out that most hotels uses various innovative recruitment approaches (such as the internet and recruitment agencies among others) to reach out to prospective employee. This falls into the soft version of HRM.

This study aims to assess managers' perceptions on SHRM and employee performance in hotels. Several researchers Tsaur and Lin (2004); Karatepe (2013) and Davies et al. (2001) in the hotel industry have focussed on four key HRM functions: recruitment and selection, training and development, employee compensation and performance appraisal. The following section (3.4) reports on how these four functions are applied in hotel industry.

3.4 HRM processes

HRM processes are the dynamic routines that an organisation uses to attract, train, socialise, evaluate, and compensate its human resources. The following subsections presents four HRM processes which the CIPD has as its professional standards.

3.4.1 Recruitment and Selection Process

Recruitment and selection usually forms a significant part of the duties of HRM professionals within an organisation, in particular hotels, and effective recruitment and selection is a crucial aspect of SHRM formulation and implementation (Bonn & Forbringer, 1992; CIPD 2009). Snell (1992) identifies recruitment and selection as an input control system that can prevent performance deficiencies. As

such, huge budgets are allocated annually to be spent on employee recruitment and selection (Hinkin & Tracey, 2000) .

Recruitment and selection is normally presented as an intended rational activity, involving certain chronologically-linked stages in the process of employee resourcing (Beardwell & Wright, 2007). The process of recruitment starts with creating a pool of qualified applicants, and selection involves picking the right individual from that pool, who can execute the task most effectively (Bratton & Gold, 2007). If managed efficiently, recruitment and selection can help in mitigating staff turnover exerting a strong impact on an organisation's culture (McGunnigle and Jameson, 2000). As the responsibilities of non-managerial employees' are repetitive and easily trained, most hotels prefer to focus on the attitude and behaviour and consider them as a vital skill requirements in employee selection (Chan & Kuok, 2011).

Strategic recruitment and selection is about hiring effectively (Millmore, 2003). In strategic recruitment, it is imperative to generate a reasonably large pool of candidates to enable a chance of finding the most qualified candidates among them, and for this reason adequate investment is needed. Previous research conducted in the hotel industry highlighted that hotels usually recruit through newspapers, internet, internal advertising, and word of mouth (Van Dyke & Strick, 1990), plus industrial attachment and industry network (Cheng & Brown, 1998). Alternatively, a strategic selection process enables and helps applicants to assess the organisation. This is done by providing the applicants a realistic job preview (Millmore, 2003).

According to Harris, Kwansa, and Lattuca Jr (2006) providing realistic job previews is also known as realistic recruitment, which is important for staff retention and job satisfaction. Realistic recruitment will assist applicants to evaluate and decide whether they are suitable and fit into the organisation. This decision and awareness is formed at the beginning of the recruitment and selection process. Applicants who are not happy with the job requirements and the context in which the job will be executed may decide not to accept the offer, or even choose to withdraw before being selected. This will result in cost reduction associated to staff turnover and training.

De Cieri and Dowling (2006) and Evans, Stonehouse, and Campbell (2012) advise that organisations such as hotels aiming to be strategic in their selection practices should adopt several techniques that are highly reliable and valid, match the demands of applicant qualifications and include as many stakeholders as possible in the selection and decision-making process (Millmore, 2003). However, McGunnigle and Jameson (2000) and Newell (2005) found that hotels utilise diverse selection techniques depending on the position being employed. For example, procedures related to vacancies

for selecting managerial positions are expected to be more detailed as compared with that of non-managerial positions and internal recruitment are also common in hotels mainly for lower rank positions.

3.4.2 Training and Development Process

The significance and importance of training and development to organisational development and performance has been recognised by many researchers (Cheng & Brown, 1998; Cho, Woods, Jang, & Erdem, 2006b; Thang, Quang, & Buyens, 2010). Chand (2010), is of the view that training and development has been identified as not only supportive of, but central to, business strategy and should be given every consideration needed. As a result, organisations have been advised to formalise and structure training programs as much as possible if the desired benefits are to be attained (Aguinis & Kraiger, 2009; Blanchard & Thacker, 2004). The hotel industry is noted for being labour intensive and therefore there is the need to formalise their training programmes. This could help them improve the knowledge and skills of their employees in order to maintain customer satisfaction.

In the hotel context, training can be grouped into general training and job-related training. General training includes: language training, telephone etiquette (Cheng and Brown, 1998), health and safety (Lashley, Connolly, & McGing, 2007) and guest service and grooming. Whereas job-related training involves cleaning and making a room up, food preparation, kitchen management and front desk management. The HR department usually manages the general training while the respective department managers are in charge for the job-related training (Lewis & McCann, 2004).

Employee training programs in most organisations begin with induction/orientation and it is more or less considered as one element of the employer's new-employee socialisation procedure (Hinkin & Tracey, 2010). Employee orientation/induction is the process of providing new employees with the fundamental background information regarding the organisation (Nguyen Ngoc Thang & Buyens, 2010). Hotels like any other organisation, should give importance to induction because it enhances employee retention (Cheng & Brown, 1998). To be effective, induction/orientation should be formally conducted, if possible, in the first week of employment as McGunnigle and Jameson (2000) noted in hotels. Training however is the procedure of educating new or current employees with the fundamental capabilities and knowledge required to execute job responsibilities (Lewis & McCann, 2004). Karatepe (2013), states that once employees acquire new skills and knowledge through training, they are motivated and empowered. These are vital keys needed for the attainment of organisational strategy (Cho et al., 2006b; Karatepe, 2013; Lewis & McCann, 2004).

Hotels provide training opportunities mainly to satisfy the skill requirements and demands of employees' jobs. This enhances employees' opportunities for career progression in the organisation (Garavan & Murphy, 2001). However, hotels do also offer career progression prospects for their dedicated, efficient and capable employees through formal and structured career progression initiatives (Garavan & Murphy, 2001).

Beardwell and Wright (2007), mention that training should therefore be seen as an investment that adds value to an organisation by increasing employees' motivation and skills. Organisations in turn expect that by empowering through training, employees will adjust and show transformations in services rendered, products, and labour markets conditions, to improve work efficiency and the firm's productivity (Hunter & Katz, 2012). Training and development, regardless of its importance, can sometimes be hampered by employee turnover. For example, Lee and Way (2010) and Moncarz et al. (2009) mentioned that employee turnover rates in the hospitality industry ranges from 60% to 300% annually. A number of researchers have found that the hospitality industry suffers from extremely high turnover (Blanchard & Thacker, 2004; Cheng & Brown, 1998). This makes employee training and development very expensive to run, because employers may not recoup the returns on the cost of training given. To counteract the high turnover rates leading to high training cost, employers have been advised to be strategic in their planning (CIPD 2009). That is, they need to plan ahead of time and put in measures that could help them attract employees who will stay longer in order to benefit from the investments made on training.

3.4.3 Employee compensation process

Compensation systems are one of the several human resource practices that organisations use to retain their employees (Namasivayam, Miao, & Zhao, 2007). Service industries, which includes hotels, are mainly dependent on employees to provide high quality services to their guests. Therefore, HR practices that assist the hiring and retaining of quality staff are of strategic importance to the organisation (Chand, 2010). Ingram and Baum (1997), pointed out that in service industries direct and indirect compensation is very significant to hiring and retention of quality staff. According to Ferguson and Reio Jr (2010) compensation is a process by which the entire compensation that an employee attains for their work in an organisation is determined. The total compensation an employee receives is mainly grouped into direct and indirect compensation (Scherzer, Rugulies, & Krause, 2005). Direct compensation consist of base compensation (wages, and salary) and pay incentives (bonuses, and profit sharing). Indirect compensation consist of benefits such as health insurance and unemployment. Also, benefits like pension contributions, paid leave and different non-financial rewards and bonuses are linked to performance of individuals, teams or the organisation as a whole (Scherzer et al., 2005).

A study conducted by Hunter and Katz (2012) investigated the effect of indirect compensation on organisational performance and proposed that it is vital to link compensation plans with overall business goals, and it crucial that compensation systems fit within the organisation's HR strategy. The link between the different components of compensation and organisational performance has been widely researched (Namasivayam et al., 2007; Torres & Adler, 2012). For example, a study conducted by Namasivayam et al. (2007) identified a key difference between managers and non-managerial workers in the hotel industry. Specifically non-managerial workers are more motivated by the extent of benefits packages an organisation offers than managers. On the other hand, the absence of appropriate benefits packages for non-managerial workers might adversely have an effect on employee performance. Also, Gross and Friedman (2004), conducted research in a global hospitality company with over 100 employees and labour cost accounted to about 40% of the company's revenue, the majority of employees were *"hourly workers, most of whom work in the food service, housekeeping, and front desk"* Gross and Friedman (p.12). The authors found that employees who joined benefit programs were likely stay in the organisation for a longer period of time and become more productive due to higher retention and lower staff turnover.

For organisations to obtain their monetary value, motivate and maintain its highly skilled employees, it's vital to ensure that its compensation systems are handled properly. Ferguson and Reio Jr (2010), state that if compensation policies are planned in a manner that encourages maximum employee commitment and performance, it will reduce labour costs which becomes a vital component of HRM. Hotels like other organisations are therefore advised to appropriately design compensation systems that would motivate performance and help attract and retain employees, as this is considered to be the core element of all employer–employee relationship (Bloom & Milkovich, 1998; Scherzer et al., 2005).

3.4.4 Performance Appraisal

Obisi (2011), defines performance appraisal as any work process that entails setting work standards and evaluating employees' actual performance in relation to these standards. As a result, providing feedback to the individual with the goal to encourage the employee to address any performance deficiencies and also assist employees plan their career path and provide guidance needed for training and development (Cheung & Law, 1998). Employees' contributions may be assessed using performance appraisal because the procedure is a continuous appraisal technique that has the same characteristics of Total Quality Management (TQM) which focusses on constantly developing employees (Cheung & Law, 1998).

The processes of performance appraisal according to Jassel (2012), entails three stages including; defining performance expectation, appraising performance and providing feedback. Firstly, defining performance expectation ensures that all job responsibilities and standards are carefully spelt out. Secondly, appraising performance refers to linking individuals' actual performance to the standards practices, which usually entails some degree of rating. Thirdly, when appraising performance, employees normally need one or several feedback sessions to deliberate on their performance, and form strategies for any requisite progression for their development (Jassel, 2012). However, before appraising standards can be established, organisations must first identify and outline clearly what they regard as performance (Cho et al., 2006b).

In the hotel context, Hartmann (2005) and Chung and Parker (2008) state that in larger chain hotels, appraisals are normally conducted in four areas using key performance indicators (KPIs), namely from: the financial perspective, customer perspective, staff perspective and efficiency. Financial comprises wage costs, annual operating profit per room, food costs as a percentage of food sales; customer perspective comprises of number of feedbacks, number of complaints received and response rate. Efficiency comprises of utilising parameters like room occupancy, rate of sales enquiry conversion, internet bookings. Staff perspective relies on factors such as staff turnover, technological competence of staff and average length of employment. With SME's the process of appraisals are normally adhoc and reactive, however, these SME's have a way to crosscheck staff against performance (Dewhurst et al., 2007). A pilot study conducted by Chan (1996) to study the measures and application of performance appraisal in the Hong Kong hotel industry found that hotels were not fully using the outcomes of performance appraisal to benefit both the organisation and the employees. Therefore, the author recommended that performance appraisal should be used to evaluate employees' performance.

3.5 Definition and characteristics of SHRM

Strategic human resource management (SHRM) is considered as a multifaceted process which is constantly transforming and evolving, and being studied and debated by scholars and practitioners (CIPD 2009). Over the decade, the HRM profession is constantly progressing and changing due to its complexity (Jamrog and Overholt, 2004).

Strategic human resource management researchers such as Dyer and Reeves (1995); Farnham (2010) and Boxall and Purcell (2011) have claimed that an organisation's performance to some extent is reliant on its workforce and their behaviours in executing strategies of the organisation, however, there is no agreeable definition to SHRM (Schuler & Jackson, 2008). Schuler and Jackson (2008),

suggested that to define SHRM one has to look at it from an integration and adaptation perspective, and in doing so provided a three point description to define SHRM as; 1) Human resources are fully integrated with the organisation’s strategy and strategic needs 2) HR policies cohere across policy areas and hierarchies and 3) HR practices are part of line managers and employees routine work.

According to Boxall and Purcell (2000) SHRM is concerned with an organization’s pattern of strategic choices associated with its use of labour in achieving its overall goal. Flint, Larsson, Gammelgaard, and Mentzer (2005) explained the shift of HRM from playing a supportive role in the areas of recruitment, training and development and making sure that employees are motivated to becoming a strategic partner and using human capital to ensure a competitive advantage. Flint et al’s (2005) explanation of the supportive and strategic roles of HR and HRM systems are explained in Figure 3.1 below. In Figure 3.1, *arrow 1* shows the strategic responsibility for HR shift parallel with the strategic role for HRM. Ghoshal, Piramal, and Bartlett (2002), explains that the strategic responsibility for HR and that of the strategic role of HRM are not the same but rather execute diverse roles within an organisation.

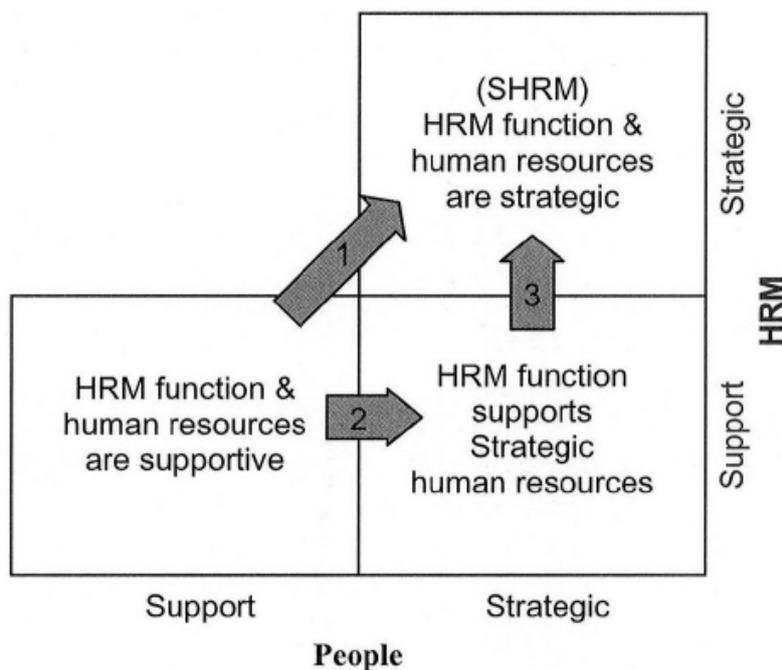


Figure 3.1 The supportive and strategic role of HRM function

Source: Flint et al (2005)

The functions of HR can also support an organisation’s procedures or can constitute strategic resources that can assist an organisation to achieve competitive advantage, as depicted by *arrow 2*. Nevertheless, HRM systems can play a supportive role in an organisation’s HR by recruiting and selecting, training and development and retention, or theoretically signifying an HRM capability that

provides an organisation competitive advantage over its competitors. This relationship is signified by *arrow 3*. Bartlett and Ghoshal (2002) concluded that given the two distinct dimensions, wherever human resources become strategic, the HRM function may very well retain its supported role.

Bratton and Gold (2007) advise that strategic human resource management should be viewed as the process of linking the human resource function with the strategic objectives of the organization in order to improve performance. Researchers such as Boxall (1996); Delaney and Huselid (1996); Guest (2001); Huselid and Becker (2005) and Wright, Snell, and Dyer (2005) are of the view that most of these definitions of SHRM have similar focus and common themes: for instance, the integration of HR strategy with an organisation's strategy; the implication that an organisation's HRM is to some extent embedded in strategy formulation and implementation; the need for coherence of policy across hierarchies and the synchronisation of various other HR practices into a system. The focus of SHRM can therefore be argued as creating an alignment between the organisation's HR practices, policies and programmes with the corporate and strategic business unit plans (Paauwe, 2009). These statements emphasise a view that SHRM is about integrations and coherences and its ultimate purpose is to achieve an organisation's goals through more effective utilisation of human resources (Boxall & Purcell, 2000; Guest, 2011; Haynes & Fryer, 2000; Legge, 1995; Noe et al., 2003; Schuler & Jackson, 2008). Although the definitions of SHRM remain diverse, certain themes have been developed from current literature that dissociates SHRM from traditional HRM practices. Thus, the characteristics of SHRM should include the following:

1. *A longer-term direction, goals or vision as suggested by Teo, Le Clerc, and Galang (2011).*
2. *Bridging between business strategy and the management of HR as suggested by Schuler and Jackson (2008). Other researchers like Takeda and Helms (2010) prefer to use the term integration and adaptation for this process.*
3. *Effective SHRM policies will lead to organisational success and a competitive advantage as suggested by Schuler and Jackson (2008); Becker and Huselid (1998).*
4. *The inclusion of line managers as well as HRM managers have the duty to transform HRM policies into more strategic outcomes (Budhwar & Khatri, 2001).*

Although these SHRM characteristics are often criticized as being over simplistic, the above statements largely reflect the current understanding of the distinction between SHRM and "traditional" HRM (Farnham, 2010). These can be seen to reflect the main objectives of the majority

of SHRM programmes. This set of practices has been used by studies in HRM hotels in the UK by Hoque (2000) and Alleyne, Doherty, and Greenidge (2006) in the West Indies.

This study aims to assess managers' perceptions on SHRM and employee performance in hotels, it is therefore, prudent to discuss the multidimensional viewpoints of SHRM, the best practice or universalistic model, the contingency model and how these are applied in the hospitality industry.

3.5.1 SHRM: Multidimensional Viewpoints

The underlying notion of SHRM is about the approaches through which individuals are managed within an organisation to help attain competitive advantage over its competitors, or at least to make sure HRM is not a form of competitive disadvantage (Purcell, 1999). Studies dominating SHRM literature have placed emphasis on the following: (1) the linkage between business strategy and HRM, and (2) the linkage between HRM and an organisation's performance (Khatri, 2000; Marchington, Rubery, & Grimshaw, 2011).

Link between business strategy and human resource management

Most organisations usually plan their business strategic objectives centred on marketing and financial data while overlooking the human resource requirements to effectively accomplish the objectives. Golden and Ramanujam (1985), investigated 10 companies in the United States and then suggested four types of linkages between strategy and HRM. These are: administrative, one-way, two-way and integrative (see Figure 3.2).

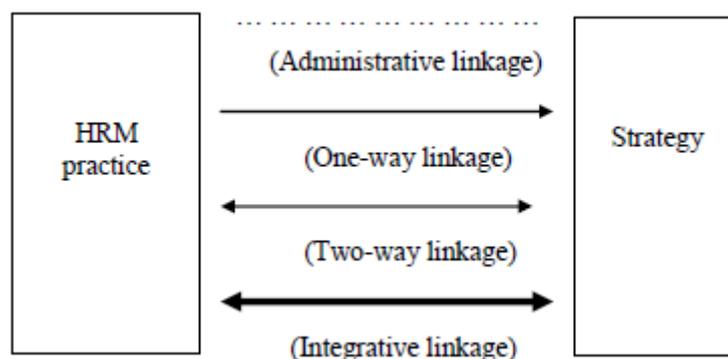


Figure 3.2 The four proposed HRM/strategy linkages

Source: Golden and Ramanujam (1985)

Type-one businesses illustrate 'administrative linkage', that is where the HR employee execute traditional administrative jobs like maintaining payroll, record-keeping and processing claims. Regarding the type-two businesses, that is those with 'one-way linkage', the HR departments performs

a more supportive role in the executions of the strategy process, answering to the request raised from the strategic role of the businesses to support the strategic objectives. In the type-two businesses, HRM does not take part in the strategy planning process, rather the duty of HRM is 'reactive' towards the request of the strategic role of these businesses.

'Two-way' and 'integrative linkages are categorised by reciprocal, interdependent and interactive associations (Paauwe, 2004). In businesses at the third stage of linkage ('two-way linkage') HR adds to both strategy-planning and the implementation procedures. HRM provides information regarding the strengths, weakness, opportunities and challenges encountered by the organisation's human resources, and the strategy division then improves the strategy based on this data. Later, it is the responsibility for HRM to develop and align HRM policies, programmes and practices to accomplish the specific strategy.

'Integrative linkage' is at the highest stage. In these type-four organisations, HR is part of the entire strategic planning procedure, there is HRM representation in the top management team of the organisation, and HRM performs a significant duty in the organisation's competitive advantage. In these type-three and type-four organisations, the HR manager is seen to be a true strategic partner with other senior managers, making a unique involvement to the entire strategic process.

HRM performs a proactive responsibility in these two linkages. Similar reciprocal and proactive associations are theorised and suggested by other HRM researchers such as (Lengnick-Hall & Lengnick-Hall, 2002; Paauwe, 2004; Wright et al., 2005).

Martell and Carroll (1995), pointed out that the procedure through which HRM is linked with strategic planning of the organisation, and the main features of HRM, such as human resource capabilities, attitudes, behaviours and performance, should be successfully acquired, developed, motivated and retained. Lengnick-Hall and Lengnick-Hall (2002) strongly propose the reciprocal linkages between HR practice and strategy and explains the motives why such linkages are necessary.

Firstly, Lengnick-Hall and Lengnick-Hall (2002) argue that organisations encounter intricate challenges (such as intense competition, globalisation, influx of technology, consumer rights and awareness), and the solution to these challenges lies between the integration of HRM practice and strategy. Secondly, the integration of HRM practice and organisational strategy (thus, the plan and methods the organisation uses to achieve their objectives) ensures that successes are achieved within and among all the main features of the organisation like human, financial and technological resources. Thirdly, through integration, individuals are considered the most valuable asset in the organisations, and relevant policies are planned and executed to the benefit of the people (Rogers & Wright, 1998) and

finally, the reciprocal linkages will not put more importance nor relegate HR preferences to strategic consideration.

Guest (1987) proposes integration or fit at three stages. Firstly, 'fit' between organisation's business strategy and HR policies. Secondly, the idea of HR policies and practices supplementing one another, which enhances internal coherence between different functions. Finally, the author touches on internalisation, which demonstrates the need for line managers to integrate or fit HR with business strategies.

Nevertheless, it is vital for SHRM to be integrated with business strategy. Researchers have consistently stressed that HR practitioners should accept a strategic responsibility and become a strategic business partner (Inyang, 2011). Research outcomes in the area of SHRM by Lengnick-Hall and Lengnick-Hall (2002); Purcell (1999); Storey (1992); Schuler and Jackson (2005) and Boxall and Purcell (2011) emphasise the significance of HRM and business strategy integration. Although it is quite simplistic to say that SHRM stems from the business strategy, the two are expected to be mutually informative. Business strategies are formed by the way in which employees are managed, motivated and organised and hence the availability of skills and knowledge will successfully form business strategy (CIPD 2009).

A question of fit

Summarising the preceding section, for human resource to enhance the organisation's business strategy, there needs to be a fit between HR strategy and business strategy (Lengnick-Hall & Lengnick-Hall, 2002). Although, Lengnick-Hall and Lengnick-Hall emphasised the significance of fit, they agreed that it is not always necessary, especially in an unpredictable and developing business environment (for example hotels). Further, they suggested that there might be a mutual interdependence between HR and business strategy, and HR should be involved in both strategy planning and implementation stage.

HR practices and policies might be aligned to various strategy typology, for example, Miles and Snow (1985) grouped organisations into four different categories: these are (a) Defenders, (b) Prospectors, (c) Analysers, and (d) Reactors. Defenders purposely attempt to keep an environment for which a steady form of organisation is appropriate. Steadiness is desirable, and defenders hardly recruit new employees externally, however, they do develop new employees. Prospectors co-operate in an environment more dynamically, they are usually organisations that are performing well and expanding, and therefore they are concerned about recruitment and selection, long-term training and employee development, compensation benefits and employee appraisal (Jackson & Schuler, 1995;

MacDuffie, 1995). Analysers are a unique blend of the prospector and defender, blending both their strengths, they are organisations that try to reduce risk however maximizing opportunity and profit. The Reactor co-operates with its environment in an unpredictable and unsteady way. These four strategy typologies can decide an organisation's HR policies and practices. These strategies would later be discussed and described as contingency model, where HR strategy is dependent on the organisation's strategy (Boxall and Purcell, 2011).

Porter (1980) had earlier suggested a strategy typology where organisations either attempt to be a low cost producer in an industry or differentiate its products and services. A low cost producer or 'cost leader' exhibits similar characteristics as defenders in the above discussion, whereas the prospectors are similar to the risk taking 'differentiators'.

Jackson and Schuler (1995) claim that various competitive strategies suggest the need for various types of employee behaviour, mainly between 'differentiators' and 'cost leaders'. They further discuss that once organisations have recognised the preferred employee role behaviours to fit the strategy, HR practices will follow suit to ensure those behaviours are reinforced. For example, a research conducted by Ahmad (2010) within Malaysian hotels found out that a combination of these strategies should be reflected in having diverse HR practices system for different types of employees within an organisation.

Managing the two fits in SHRM

There is an increasing interest and attention towards 'fits' or integration between HR strategy and organisation's business strategy (Baird & Meshoulam, 1988; Boxall & Purcell, 2003; Martell & Carroll, 1995; Storey, 2014). Employee performance in an organisation is usually affected by HR practices and policies, and in several instances the linkage between HR functions and organisational success is moderated by the firm strategy (Khatri, 2000). Therefore, attaining a 'fit' is a significant characteristic of SHRM. In attaining its objectives, organisations depend on a pattern of planned HR policies and practices, referred to as 'fit' (Wright & McMahan, 1992). Empirical research has identified two types of fit: horizontal fit and vertical fit.

According to researchers such as Baird and Meshoulam (1988) and Schuler and Jackson (2008), horizontal fit or internal fits happens when there is a match or similarity between all HRM policies and practices in an HR department, whereas vertical or external fit signifies integration among HR strategy (procedures and policies) with the strategic management procedure of the organisation.

As SHRM is about integration of HR strategy and the business strategy, vertical or external 'fit' assists in providing an association between the two strategies, and the former supports the achievement of the latter. Greer (1995) mentions that 'integrative linkage' supports the idea of external fit in the sense that HR accepts the responsibility of a strategic partner in planning an array of HR strategies that fit the organisation policy. A suggested fit between HR policies and organisation strategy will enhance organisation's performance (Boxall and Purcell, 2011). External fit will also need particular HR policies and practices to be planned to assist the business strategy.

Baird and Meshoulam (1988, p. 122) suggest that HRM should not only accomplish external fit, "*but also the components of human resource management must fit with and support each other*". Budhwar and Aryee (2008) mentions that the horizontal or internal fit needs every aspect of the HR strategy to fit together, with the objective of accomplishing a consistent process of managing human resources. The notion is to form a synergy between the HR policies and practices, for example recruitment and selection, training and development, performance appraisal and employee compensation, ensuring that one policy or practice assists and reinforces the performance of the other.

Guest (2011) highlighted that one of SHRM's main objective is to make sure that HR policies adhere both across policy areas and across hierarchies. Katou and Budhwar (2008) echoed the same by emphasising the significance for diverse HR policies and practices to be equally reinforcing. HR strategies are interrelated with all other strategies within the organisation creating a distinctive role for HR within an organisation.

3.5.2 Best practice or the universalistic model

The best practice or the '*universalistic perspective*' of HR proposes the prescription of a specific group of HR policies and practices, also known as 'best practices', that are expected to generate superior outcomes (Pfeffer, 1998). SHRM authors have highlighted that horizontal fit is a key requirement for best practices to enhance organisation's performance which includes employees (Delaney & Huselid, 1996; Huselid, 1995; Pfeffer & Veiga, 1999). Some SHRM scholars have responded differently in their support for the universalistic model to strategic HRM with notable dissimilarities across studies as to what forms a "best a practice" model (Legge, 1995), leading to an array of lists of best practices (Becker & Gerhart, 1996). Some practices are legal requirements in a specific country, for instances employee grievance process in the UK, and may not be lawful worldwide (Boxall & Purcell, 2011). On the other hand, several studies have suggested that one practice that has an influence on universal HR practices is the "human capital base", or the available skills, knowledge and preferred behaviour and attitude of employees in an organisation (Bamberger & Meshoulam, 2000; Boxall & Purcell, 2011; Christensen

Hughes, 2002). Thus, the organisation's recruitment and selection, training and development, compensation and performance appraisal processes will directly impact the quality of its human resource capital base. This suggest that the hotel industry should place emphasises on managing their human capital as it plays a major role in organisational effectiveness.

However, Pfeffer (1998), outlined some desirable HRM attributes and argues that they can be applicable in varying contexts including hotels. These attributes include: employment security/job security, sophisticated selection/selective hiring, teamwork and decentralisation, high wages linked to organisational performance, extensive training, narrow status differentials and communication and employee involvement.

Guthrie, Flood, Liu, and MacCurtain (2009), are of the view that these best practices or high performance work practices could be additive, universal and can have positive effects on organisational performance. However, the underlying assumption of the best practice model is the view that a set of practices aimed at high commitment or high performance will benefit all organisations regardless of context.

3.5.3 Contingency or best fit model

The contingency or best fit model by Delery and Doty (1996) argues that contexts are different and each is peculiar in its own sense. Therefore, for HR strategy to become efficient, it must be tailored to the business environment such as hotels that are found to have unpredictable seasonal variations and high staff turnover. That is, there are no universal recommendations for HR policies and practices (Wright et al., 2005). Schuler and Jackson (1987), add that there should be a balance between the internal HR policies and the external business environment if the organisation is to stay in business. They advise that internal HR policies and practices must be coherent and consistent as these direct employee behaviours and then these behaviours must be used to develop a strategy for the external business environment. According to Boxall and Purcell (2011) societal fit is about how organisations adjust to the characteristics of the societies in which they are situated and whether they are wise to do so. Organisations are required to conform to labour laws of countries, adapt to national economic environments, accommodate the relative struggle of recruiting appropriate labour in local markets, and the problem of differences across countries in cultural norms. For instance, Queenstown (New Zealand), has been noted for a seasonal influx of tourist and high labour turnover in the hotel industry because of the peculiar characteristics of the applicants for employment. Therefore, hotels situated in such an environment have to adapt to these conditions when planning for their recruitment (Poulston, 2008). Again, the contingency model presupposes that hotels in planning their HR practices

and policies, should consider what works best in their environment with regards to recruitment, training, compensations and staff appraisals. Thus, organisations have a tendency to emulate what is observed to work in their industry in their given contexts, and this includes approaches to managing their employee (Legge, 2005).

However, Boxall and Purcell (2011) cautioned that this model is limited by the impossibility of modelling all the contingent variables and the challenge presented by the issues of their interconnection. Again, there is a complexity when matching HR and organisational strategy with the constantly changing environmental factors (Legge, 2005).

Two key issues could be deduced from the models discussed above. The models suggest that organisations must align their human resource management to their business strategy. Secondly, to ensure competitive advantage, organisations must ensure a congruence between employee interests and organisational interest. This would help in conflict resolution and improve organisational communication. However, some HRM researchers such as Hitt et al. (2012); Leopold and Harris (2009) and Wright et al. (2005), cautioned that the human resource management and business strategy alignment could not necessarily be characterized in a logical and sequential way because the design of an HR system is a complex iterative process and unique to industries. De Cieri and Dowling (2006) suggest that it is the analysis of the dimensions of HRM models that lead to the emergence and improvement of the area of strategic human resource management (SHRM). This, therefore, creates a thin line distinguishing HRM from SHRM as they both look into the factors discussed by the various models above. However, SHRM performs a 'macro' responsibility at the organisational level whereas the traditional role of HRM is 'micro' and normally assessed at the operational stage (Wright & Boswell, 2002).

3.5.4 Industry analysis: SHRM in the hospitality industry

The main goal of hotels are to provide guests with excellent customer service, which requires the support of the employees to remain in business and make profits (Kandampully, Juwaheer, & Hu, 2011). However, the heterogeneity and inseparability of service do not allow for post-production quality control and providing superior and consistent service experience is a challenge (Hoque, 2013). It is, therefore, imperative for hotels to adopt SHRM in the hotel industry in order to make strategic discussion on human resource and quality at the corporate level (Evans et al., 2012). This is vital because the quality of employees' service is affected by the organisation's HR practices (Evans et al., 2012). Researchers such as Taylor and Finley (2008); Enz (2009) and Knox and Walsh (2005) have argued having too few employees may affect the quality of service, having too many permanent (full-

time) employees is a risk. This is because labour costs constitutes the largest operating expenditure, especially in hotels offering full service.

In a highly competitive environment such as the hotel industry, adopting a strategic approach to operation is especially important to eliminate vulnerabilities a hotel may face in its business environment (Whitla et al., 2007). Research has proven that the survival of hotel businesses is largely dependent on their internal management practices (Chand, 2010; Nankervis, 2000). One other demand placed on hotels in such an unpredicted and highly competitive industrial environment is the requirement that hotels be proactive and take a strategic approach to managing human resources. Therefore, for the successful SHRM implementation, HR managers are required to have knowledge of the business and its environment if they are to be successful as suggested by the contingency model (Waddell, Cummings, & Worley, 2004).

The hotel industry is a highly labour-intensive industry and by virtue of the nature of the service it seeks to provide, people represent a major resource in hotel operations (Chand & Katou, 2007). For hotels to provide effective and efficient services to their clientele, the social and technical skills of its human resources are crucial, so is their ingenuity and hard work, and commitment and attitude (Tang & Tang, 2012; Wirtz et al., 2009). For example, in hotels, most front-line employees have unsupervised contact with clients. Therefore, the quality of the service experienced by the hotel guests is determined by the employees' level of performance. The industry's 'product' involves such critical labour content, it is extremely crucial to ensure effective HR policies are designed and implemented. By implication, poor HR policies will lead to employees providing sub-standard services or product. In a service or hospitality industry, the quality of human resource determines the quality of the service given to customers (Kandampully et al., 2011). Tavitiyaman, Qu, and Zhang (2011) stated that management relies extensively on employee cooperation to deliver these services (Lorenz & Valeyre, 2005). For example, no matter how much training and instructions are given on how to treat a customer, the waiter or employee in a hotel still decides whether to be helpful to customers or to be plainly rude. However, many hotels that are successful and known for service excellence have been recognised as having 'best employer' status due to their commitment to employees and adoption of SHRM (Erstad, 2001; Haynes & Fryer, 2000; Mayer, 2002). To compete with other hotels that offer similar core products such as luxury facilities and amenities, hotels must focus on their employees and how they connect with their guests (Kandampully et al., 2011). Despite the increasing importance of the HR function in industry as a whole, it is still considered as a low priority in the hotel industry in comparison to other managerial functions (Kelliher & Perrett, 2001).

3.6 Employee performance

According to Motowidlo and Van Scotter (1994) the construct “employee performance” has two dimensions. First one refers to “task performance” (or technical job performance) and second dimension is about “contextual performance” (or interpersonal job performance) (Tsai, Cheng, & Chang, 2010). The following subsections explain these two concepts relevant to their application in the hotel industry.

3.6.1 Task performance

Task performance involves the effectiveness with which employees perform the activities that are formally part of their job and contribute to the organization’s technical core (Motowidlo, 2003). Meiran (1996) and Locke and Latham (2013) also explain task performance as a set of explicit obligations that an employee must fulfil to receive compensation and continued employment. Task performance in the hotel setting includes employee behaviours that are directly involved in the transformation of organizational resources into the services that the hotel renders (Tavitiyaman et al., 2011). For example, for a front desk staff task performance would include check in and check out, upselling of rooms and customer service.

3.6.1 Contextual performance

Contextual performance comprises organizational activities that are voluntary, not prescribed by the job, and do not contribute directly to the technical core (Conway, 1999). Contextual performance includes activities such as helping, cooperating with others, and volunteering, which are not formally part of the job but can be important for all jobs (Christian, Garza, & Slaughter, 2011). Although this distinction does exist, the current study focuses on task, or in-role, performance.

3.6.2 How employee performance are assessed?

There are many ways employee performance can be measured in an organisation. Noe, Wilk, Mullen, and Wanek (2014) mention that employee performance appraisal is one of the most comprehensive and common ways to measure how well an organisation’s work force is performing. Employees can be appraised in areas such as their technical skills, interpersonal communication and motivation. Other researchers such as Rodwell, Kienzle, and Shadur (1998) ; Kilic and Okumus (2005) and Jiang et al. (2012) also suggested that productivity tests can be used to determine whether employees are meeting the organisation’s expectations. Productivity tests are common in situations (e.g. factories and production facilities) where the work can be literally measured in quantities.

Key Performance Indicator (KPI) is a business metric tool that organisations use to evaluate the factors that are significant success to an organisation (Shahin & Mahbod, 2007). KPIs vary depending on the organisation. For example, a hotel KPI can be a customer loyalty metric. According to Lavy, Garcia, and Dixit (2010) using a good measurement system, such as KPIs, allows businesses to examine triggers for any changes in performance. Lavy et al. (2010) further stated that this puts businesses in a better position to manage employee performance proactively.

3.7 Conclusion

The above discussion brought out some interesting contrasting arguments between researchers regarding the definition of HRM and SHRM and how there is a thin line distinguishing between the two concepts. The discussions reveal that SHRM is concerned with the 'macro' environment of the organisation whereas the traditional role of HRM is at 'micro' level. However, SHRM relies heavily on the HRM concepts and constructs and links strategy to organisational processes and practices. To ensure that organisations benefit from SHRM they must be able to study organisational processes as they evolve and incorporate some of the newly evident issues that emerge into their long term planning. The application of SHRM in hotels have been questioned. Large hotels and chain hotels have been suggested as platforms where SHRM is implemented whereas small and independent hotels use other approaches to run their businesses. Several implications can be drawn from the SHRM literature. It identifies important impacts that the SHRM concept can make to hotels if adopted, but the literature is silent over some pertinent issues. First, does the experience of the line managers in charge of implementing the SHRM in hotels an issue as to whether the S/HRM implementation would be successful or not? Does the location of a particular hotel determine whether or not SHRM can be successfully implemented? Another area where the literature is silent is the perception of managers on how SHRM impacts employee performance? These issues form the basis of this study. Queenstown, New Zealand, has been designated as a touristic area with seasonal influx of tourist from all over the globe. The area has been marked as having peculiar characteristics with regards to the hospitality services provided. Therefore, it is important to investigate managers' perceptions on the impact of SHRM on employee performance in such an area with these peculiar characteristics. The research method and design used to investigate this is outlined in the next chapter, Chapter 4. The actual results of the examination using hotels in Queenstown, New Zealand are presented in Chapter 5, and a discussion of the results follows in Chapter 6.

Chapter 4

Research Methods and Design

The previous chapter has reviewed literature on current debates surrounding strategic human resource management and its application in the hotel industry has been questioned by several practitioners. This chapter discuss the adoption of a qualitative case study approach and how the use of semi-structured interviews will be used to examine the main research question which attempts to assess manager's perception of how SHRM impact employee performance. To answer this question necessitates understanding participants' experiences, perceptions, meaning and interpretations and comprehend their perspective of a particular phenomenon (Patton, 2005; Quinlan, 2011).

This chapter is divided into two main parts: Part A discusses the research method while part B, reports on the design. Part A (section 4.1), explains and justifies the rationale behind the research method. Part B (sections 4.2- 4.4), explains the design used in this study to examine the impact of SHRM on employee performance from the base of selected hotels in the South Island of New Zealand. Part B also discusses the rationale for choosing the case study locations and the participants used for the study (section 4.2). Section 4.3 discusses the pilot study conducted prior to undertaking the study and finally section 4.4 discusses the ethical considerations for the study.

4.1 Part A – Method

According to Rivera and Upchurch (2008) research methods in the area of business and hospitality have been dominated by two broad sets of approaches: qualitative and quantitative, and it is accepted that the two approaches vary in their data-collection methods and approaches to standardising analyses. For example, McGunnigle and Jameson's (2000) hotel study focused on attitudes, behaviours and practices which can be indicative of the adoption of a particular philosophy or approach to managing employee. They used a qualitative approach in order yield more valuable outcomes. On the other hand, Hoque (2000) used a quantitative approach (questionnaire and surveys) to emphasise the importance of service quality and the contribution that HRM can make to provide high quality service in large hotels in United Kingdom. Hoque (2000) measured practices in relation to terms and conditions, recruitment and selection, training and development, job design, communication and consultation, pay systems and HR planning. Hoque (2000) concluded that managers are accepting the value of service quality and are finding innovative ways of recruiting new staff.

Quantitative research involves the analysis of quantities or measurement, such approaches are normally used to test or elaborate on causal and deductive theories (Neuman, 2005). The benefits of quantitative methods are that by a manageable selection and analysis of the statistical material they present a picture in ways that society, or an industry, and its component parts are changing and developing (Neuman, 2005). In service industries such as tourism, which includes hotels, quantitative data is generally used in two ways: (a) for descriptive purposes, or (b) to accept/reject and explain relationships between variables in specific causal relationships (Ponterotto & Grieger, 2007). However, since this study is to probe and gain a deeper understanding of managers perception of how SHRM impacts employee performance, quantitative measurement was not appropriate.

The second research approach is qualitative research. Qualitative research is defined as studies that use non-numeric data in the form of words (Patton, 2005) and adopts an interpretative viewpoint known as “interpretivism” that suggests “*there is no objective reality which can be discovered by researcher and replicated by others, in contrast to the assumptions of positivist science*” (Saunders, Saunders, Lewis, & Thornhill, 2011, p. 2). In other words, qualitative research reveals several realities as opposed to seeking one objective reality. Thus, qualitative research is used to probe issues deeply to discover delicate and complex themes. For example, Miles and Huberman (1994), suggested that qualitative researchers gain a holistic understanding of the contextual arrangement, its explicit and implicit rules of the study population by studying individuals, groups, societies or organisations in their everyday life situations. To add to the above, Mutch (2005, p. 19) asserts that qualitative research explores “*the unique life experiences of the participants, such studies enhances understanding of particular phenomena*”. Conn and Rantz (2003), further argue that qualitative research permits rich data to be collected through different methods such as focus groups, observations, in-depth interviews or documentation.

The major orientations of qualitative research approach includes: phenomenology; ethnography; grounded theory and case studies. Phenomenology is a process of observing and analysing “*the things themselves*” (Morgan & Smircich, 1980, p. 28) in a new way. Creswell and Miller (2000, p. 12) emphasised that the central focus of phenomenology is to explore individual experiences of everyday phenomena: “*human experiences are examined through the detailed descriptions of the people being studied*”. This was also supported by Smith (2004, p. 4) who stated that “*a good phenomenological text has the effect of making us suddenly ‘see’ something in a manner that enriches our understanding of everyday life experience*”. From these descriptions, phenomenology can best fit research problems that are unstructured, and for which there is little or no research or evidence in the literature so that new or emerging theories can be deduced. In this study, four predetermined SHRM concepts were

used that have literature supporting how they impact employee performance in different contexts. Further, this study does not focus on individual personalities but rather how employee performance is perceived from a managers perspective with the implementation of SHRM practices. Finally, Anosike, Ehrich, and Ahmed (2012) noted that phenomenology does not look for cause-effect relationships, but this study looks at how SHRM impact employee performance – a cause and effect relationship.

Participant observation is a key technique used in ethnography drawn from the perception that in order to fully understand a particular group of people, it is necessary for the researcher to observe and participate in the group's everyday activities over a period of time (Woodliffe, 2004). Other techniques include conducting in-depth interviews and the use of field-work diaries (Atkinson & Hammersley, 1994). The researcher's personal opinions and experiences about the area of study are deemed to be important and may become part of the data. However, this study does not seek the researcher to be in the cultural context of the target participants.

According to Glaser (1978) grounded theory represents an inductive investigation research process and the research begins with the raising of generative questions which help to guide the research but are not intended to be either static or confining. As the researcher begins to gather data, core theoretical concept(s) are identified. Tentative linkages are developed between the theoretical core concepts and the data. The process involves using multiple stages of data collection to generate theories about patterns of human behaviour in social contexts (Miles & Huberman, 1994). However, this study does not seek to use constant comparisons of data involving different groups of participants in order to maximise their similarities or differences.

The above qualitative orientations do not suit the purpose of this study. The case study approach was found to be the most suitable alternative approach for this study as is explained in the following section.

4.1.1 Case study research

There is no generally accepted definition of case study research; however, Yin (1994), describes case study research as a study which is normally qualitative in nature with a small sample size. Yin also states that case study research is valuable in developing and refining concepts for further study, and can enable the researcher to relate differences in context to constants in process and outcome when undertaken in multiple contexts. Yin further classifies case study research into either ethnographic, clinical, participant-observation, or otherwise in the participant everyday situation. Siggelkow (2007) suggests case study as a strategy for undertaking research which involves an empirical examination of a specific contemporary phenomenon within its real life context using multiple sources of evidence.

Alternatively, Hair Jr, Wolfinbarger, Money, Samouel, and Page (2015) suggest this strategy provides a deeper understanding of the context of the research being investigated.

Case study research can be divided into two groups: single case studies or multiple case studies (Creswell, Plano Clark, Gutmann, & Hanson, 2003) with this research utilising a multiple case study approach. The reason for this approach is to provide extensive coverage of the subject area under investigation. In particular, on different hotels with participants from varying backgrounds could provide a deeper understanding of the research question under examination.

However, Galliers (1985); Miles and Huberman (1994); Yin (1994) and Neuman (2005) note that before a case study approach can be considered, certain conditions should be in place. First, the focus of the study should answer “how” and “why” questions. For example, how does the managers’ perception of SHRM impact employee performance? Second, the researcher should not be able to manipulate the behaviour of those involved in the study; this study sought to assess managers’ perceptions over which the researcher has no control. Third, the research seeks to cover contextual conditions considered as relevant to the phenomenon under study. In this study the contextual conditions are the four predetermined (S) HRM concepts (recruitment and selection, training and development, employee compensation and performance appraisal) the literature suggest as relevant to enhance employee performance. Lastly, case studies can be used when the boundaries of the study between the phenomenon and context are not clear. In this study, it would have been impossible to have an accurate representation of how managers perceive the impact of SHRM on employee performance without considering the context within which they operate.

In addition to the above, case study research can be employed in a number of ways and can lead to different types of research output (Miles & Huberman, 1994). It can involve either single or multiple cases, and numerous levels of analysis. For example, case study research can employ an embedded design, that is, multiple levels of analysis within a single study and can utilise small sample sizes. As such, this approach is suitable due to the small hotel sample group. For instance, in studying SHRM in the hotel industry, Haktanir and Harris (2005) measuring employee performance at Northern Cyprus used a single case study approach in an independent hotel context. Wilton (2006) used multiple case studies by comparing larger and smaller hotels in urban areas, and Ahmad et al. (2010) studied 6 Malaysian five star hotels using multiple case studies and numerous levels of analysis.

Case studies like all other research approaches have strengths and weakness. In relation to strengths, case study research helps the researcher to capture reality and detail by investigating a phenomenon in its natural context (Galliers, 1985; Miles & Huberman, 1994; Yin, 1994). Regardless of its numerous

advantages, case study research findings cannot be generalised statistically to a population (Woodliffe, 2004). As demonstrated above, it can be clearly argued that the use of a case study to examine a phenomenon within the hotel context is appropriate.

4.2 Part B – Design

As discussed in section 4.1, using quantities to assess managers' perceptions of SHRM on employee performance is not appropriate as it may not reveal other hidden relationships. Therefore, this study adopted a qualitative case study approach as it reveals participants' perceptions, and attitudes, explanations and concepts in their social world. The following subsections describe strategies used to identify and select the hotels and participants for the study.

4.2.1 Queenstown – the case study location

Queenstown is a resort town in Otago in the south-west of New Zealand's South Island. It is built around an inlet called Queenstown Bay on Lake Wakatipu, a long thin Z-shaped lake formed by glacial processes, and has spectacular views of nearby mountains such as The Remarkables, Cecil Peak, Walter Peak and just above the town, Ben Lomond and Queenstown Hill (Tourism New Zealand, 2015). Queenstown has an urban population of 28,224 (Statistics New Zealand, 2015), and by 2031 the districts population is forecast to be 41, 600. Queenstown is recognised internationally as one of New Zealand's premier visitor destination and has demonstrated exponential growth in tourism since 2005 (Tourism New Zealand, 2015) and at the end of May 2015, out of 874,729 international visitors to New Zealand, 120, 799 (representing about a seventh) visited Queenstown. At the same time, domestic guest night for the year ended May 2015 compared with the previous year rose 1.7 percent to 1,020,343 (Statistics New Zealand 2015). During the peak season, tourists outnumber locals by a ratio of 3 to 1 (Statistics New Zealand 2015).

Fundamental to the status of Queenstown as an international tourist destination is the natural landscape with Warne (2002, p. 79) suggesting "*Queenstown is a beautiful piece of work. Tumbling rivers, picturesque lake, the rocks and the rills – in any season, the place is stunning*". Pearce and Cant (1981) state that Queenstown has provided hotel accommodation since its earliest days, however it was not until the 1970s, that the 'large' international tourist accommodation hotels appeared in Queenstown. Pearce and Cant explain this development is a response to the growing number of international tourists to Queenstown.

Queenstown has been chosen for this research due to the irregular and unpredictable customer demand during peak and off peak seasons and there is a high use of contingent labour which leads to

high labour turnover. Additionally, the high use of working visas among employees and the retention of high skilled staff has been reported as a problem for Queenstown (Brien, 2004). Queenstown is unique and been plagued with hotel recruitment and retention problems for years with hoteliers relying on tourists on working holidays and students for staffing hotels. This has been recognised by the New Zealand Government, and as such has granted a temporary exemption on the hiring of migrant labour by Queenstown employers during the busy summer months. However, this exemption is not a long term solution to solving the labour and skills challenges faced by the Queenstown employers. The New Zealand Government insist their priority is jobs for New Zealanders, yet in situations whereby employers have difficulty in genuinely recruiting skilled labour, then the process of recruiting migrants could be simplified (Immigration New Zealand 2015). Therefore, Queenstown makes an ideal location to ask the research question:

What are managers' perception of SHRM's impact on employee performance?

4.2.2 Three to five star hotels

The current study focuses on the labour-intensive hotel industry, however, within this industry lie various classification. Schaefer, Illum, and Margavio (1995), classified hotels into transient hotels, resort hotels and motels while Crawford-Welch (1991) classified hotels into four segments: (1) budget, (2) mid-scale, (3) luxury, and (4) others. Further, Murthy (1994) used a classification scheme of full-service, limited service, resort, all-suite and convention hotels while some countries utilise a star-rating system. In the Australasia region, researchers such as Brien (2004) and Knox and Walsh (2005), conducted studies in the hotel sectors using stars grading systems as the criterion for their sampling and it is this system that is used in this research.

There are 41 three to five star hotels and resorts in Queenstown (see Appendix G.3) with 18 being domestic branded hotels and the remainder international branded hotels (Tourism New Zealand, 2015), these hotels range from small boutique hotels to large international recognised hotels with many having won international awards over many years³. However, to narrow down the number of hotels, only Qualmark three-to-five star hotels with the minimum rooms of 50 were identified which reduces the number to 23 (Tourism New Zealand 2015). This additional criterion was used because the SHRM literature states that small hotels are highly unlikely to be familiar with SHRM practices (Wilton 2006), so for this study, only hotels maintaining more than 50 rooms were contacted.

³ For example, Millbrook Resort in Queenstown has been voted 'New Zealand's Leading Spa Resort' at the World Travel Awards in 2012, 2013 & 2014. See <http://www.wotif.com>

4.2.3 Selection of the case study participants

Ponterotto and Grieger (2007), stated that the idea behind qualitative research is to purposefully select participants or sites (or document or visual material) that would best help the researcher understand the problem and the research questions. Patton (2005, p. 229), mentions that “*the research questions, objectives and choice of research may dictate non-probability sampling*” and of these the most popular sampling method used is purposive. There are several kinds of purposive sampling methods with Patton outlining 16 different types. Whilst emphasising that the participants are chosen according to predetermined criteria significant to a specific research topic, this study employs purposive sampling following Patton (2005) idea of ‘criterion sampling’. The reason of criterion sampling is to examine and study all cases that meet some predetermined criterion of significance (Patton, 2005). In addition Suri (2011) describes the idea and power of purposeful sampling derive from the importance on in-depth understanding of a phenomenon. Suri further explains that information-rich cases explore issues of central importance to the purpose of the research, thus the term purposive sampling. A purely adhoc, opportunistic sampling strategy is not suitable in qualitative research, rather, as in this case, the sample should relate in some systematic manner to the phenomena that the study seeks to investigate (Mason, 1996; May, 2002).

4.2.4 Selection of participants within selected hotels

A three-phased approach of selecting participants was adopted as suggested by O'Leary (2004). Phase one involves the planning stage in which the researcher collected names and official contact details (postal address and contact numbers) of general and human resource managers of all three–five star hotels with a minimum of 50 rooms in Queenstown. In Phase two, a formal and personalised invitation letter (see Appendix D.1) was developed and mailed to 12 out of 23 hotels. These hotels (see Appendix G.1) were first selected because they all had both HR and general managers’ onsite (twenty-four participants in total). After one week of the registered mails were sent out, a polite personalised reminder in the form of an email (see Appendix D.2) and phone call was sent to all participants (Dillman, 2000). This also included an attached link to the invitation letter in case the previous mail had not been received or not reached the target participants. Additionally, taking into account that all the target participants were general or HR managers, who are normally very busy, the reminder tactic was used with wariness. Only one reminder via phone call or email was sent out to avoid a negative attitude towards the study from the industry.

Phase Three saw the use of a secondary list of the remaining eleven hotels with eighteen potential participants⁴ (comprising 11 general managers and 3 HR managers) in an attempt to increase the participation level (see Appendix G.2). It has been noted by some researchers such as Keegan and Lucas (2005) that research in the hotel industry is more difficult than other industries because it has a low response rate especially where it borders on human resource issues.

Participants used for the study

Two participants from distinct backgrounds with extensive experience in the hospitality industry agreed to participate in the study and while this low participation rate was disappointing, this alone says something about the value of SHRM in the hotel industry. One was an experienced General Manager from a domestic hotel, whilst the other was HR Manager from an International brand hotel chain (Please refer to Chapter 5, Section 5.1 for further discussion on the participants).

4.2.5 Instruments for data collection

The primary source of data collection was through interviews. There are several interview techniques adopted by different researchers for qualitative research (Kvale & Brinkmann, 2009) which fall into the categories of a) Structured; b) Narrative; and c) Semi-structured. For the purposes of this study, a structured and narrative interview approach will not be ideal for the reasons that structured interviews require a rigid, predetermined set of criteria with limited response categories. This restricts the participant from elaborating on issues. Narrative interviews require lengthy discussions and analysing the research themes may be wide making it difficult for analysis. Thus, for the purposes of this research, a semi-structured interview approach was used.

Mutch (2005), states that for semi-structured interviews a group of questions is followed in an open-ended manner which gives the participant enough opportunity to extensively express his/her opinion. Although an interview outline is organised, the wording and the order of questions are not static - the content of the interview highlights the significant issues of the research. This flexibility allows the researcher to improvise subsequent questions and enquire of more meaningful explanations as well as to expand more on areas of interest that emerge (O'Reilly & Parker, 2012). Since the purpose of this research is to examine the impact of SRHM on employee performance, in-depth semi-structured interviews would be used to obtain the data. Since semi-structured interviewing is influential in cases whereby the researcher desires to look for the participant's views, feelings or perceptions about a specific phenomenon, therefore, semi-structured interviewing is the best option for gathering data

⁴ Some hotels contacted for the study had a general manager but no corresponding HR manager.

for this study. The research was conducted individually at a time and place most convenient to each participant (see Appendix C).

Developing the instruments for data collection

The interview guide to assist in addressing the research question was formulated from an extensive review of the literature on employee performance and four predetermined SHRM key concepts recruitment and selection, training and development, employee compensation and performance appraisal, and is justified in Table 4.1. See Appendix E for questions related to the four SHRM concepts.

Table 4.1 Interview questions and justifications

Question	Justification
How would you define “employee performance” in terms productivity in your hotel? For example, Front desk, Food and Beverage, Housekeeping and others.	Authors such as Chan (2004); Motowidlo (2003) have mentioned that construct “employee performance” has two dimensions. First one refers to “task performance” (or technical job performance) and second dimension is about “contextual performance” (or interpersonal job performance). Therefore, this question is designed to capture participant’s understanding of their interpretation of the term employee performance and how this is assessed in their setting.
What tools, techniques or systems do you use to manage employee performance in your organisation? For example, do you use a special software programme?	Many researchers Isaac-Mwita (2000) and Haktanir and Harris (2005) have identified tools to appraise employee performance. This question is designed to capture how employee performance is appraised whether a grading system is used or assessed numerically using a point system. Then, probe into how these records are kept for example using a specialised software.
Over the past 4 years has payroll increased or decreased and can this be attributed to employee performance. If payroll has gone up has performance gone up? Please explain.	This question is designed to capture whether monetary compensation is a motivational factor in increasing employee performance. Researchers such Namasivayam et al. (2007);Torres and Adler (2012) as have mentioned that appropriately designed pay systems motivate performance, help attract and retain employees.
What HR techniques do you think positively impacts employee performance?	This question is designed to capture whether factors such as empowering employees, coaching and mentoring, remuneration packages influences employee performance. HRM authors such as Harris and Mongiello (2001);Ferguson and Reio Jr (2010) have stated that there is a positive association between HRM practices and employee performance.

Briefly describe, the role HRM plays in enhancing employee performance in terms of linking to organisational goals.	This question is designed to capture the understanding of the role that human resource management (HRM) plays in enhancing employee performance in terms of organisational goals. According to Greer, Carr, and Hipp (2015), despite recent advances that use qualitative and quantitative research approaches to argue for a strong positive relationship between SHRM and firm's (employee performance), this area still needs further research.
Briefly describe, if HRM is linked into long-term planning process of the organisation improves employee performance.	This question is designed to capture participant's understanding of the role of integrating HRM and strategic planning. Researchers such as Delery and Doty (1996); Huselid (1995) have stated that integrating HRM into strategic planning process enables an organisation to better achieve its objectives.

Given the nature of the subject area the interviews were semi-structured, permitting both the researcher and the participants more flexibility to investigate specific details or discuss matters. All the interview questions were open-ended questions encouraging the participants to give their thoughts on the subject, using an approach like this permits the participants to give in-depth thoughts (Quinlan, 2011). Participants were required to answer the above questions and others related to four SHRM concepts (see Appendix E for exact wording).

After the initial round of interviews, a second interview (which was initially planned) was conducted to provide clarity and cross-check some of the earlier responses given (see Appendix F). All the interviews were conducted face to face in their respective hotels. The interviews on all occasions were restricted to 45 minutes to reduce any disruption of the participants' work, and before each interview commenced the researcher asked the participants to read the Research Information Sheet and sign the Consent Form (see Appendix C and Appendix B respectively). The researcher took hand written notes and also captured the interview with a digital recorder. Digital recording was used to reduce some of the risks related with old-fashioned tape recorders, like not detecting the tape has finished and over-recording. The recordings were replayed and transcribed with the hand written notes as a back-up; and a content or thematic analysis approach used to analyse the interviews. All aspects of this process were approved by the Lincoln University Human Ethics Committee (see Appendix A).

4.3 Pilot study

Best practice in research methodology regarding interviews and questionnaires usually involves a preliminary pilot study. Such a study attempts to understand the major themes and issues in a typical

case within the general population, before designing a detailed method of collecting data (Perrien & Ricard, 1995).

Such pilot studies generally begin with an informal approach to a typical case which will not form part of the formal research sample. This pilot usually involves an informal, open interview which may then progress to a preliminary test of the research question and in many cases a detailed 'run-through' of the interview questions (Stevens, Harris, & Williamson, 1993).

4.3.1 Design and revisions

An HR manager from a four star hotel in Christchurch was approached for the pilot several months before the planned main study was to commence. The HR manager agreed to a two hour in depth interviews - a first approach and a second follow-up interview which clarified further questions from the interview. As a result of the pilot, some of the questions were revised based on the information gathered as explained below.

The participating HR manager commented that the term 'performance' (in the following question) is vague, as some departments in the organisation assess employee productivity in different ways.

Original question:

How would you define 'performance' in terms of productivity in your hotel?

Therefore, the question was modified to:

How would you define 'employee performance' in terms of productivity in your hotel? For example, employees at the front desk, food and beverage, housekeeping and other departments.

All other areas of the interview questions were regarded as understandable and appropriate. Other areas that the pilot study addressed included:

- Assessing the feasibility of the main study
- Planning a research protocol on how to contact the potential participants
- Assessing whether the protocol is assessable and workable
- Establishing whether the sampling methods and techniques were effective
- Collecting preliminary data to assess the feasibility of the main study

4.4 Ethical considerations

To ensure the integrity, quality and trustworthiness, the study followed the guidelines and procedures of Lincoln University's Human Ethics Committee (see Appendix A.1), this involved identifying and minimising any ethical issues, and producing an informed consent form for participants. In obtaining informed consent from all participants, full disclosure of the reasons for the research was made available to all participants in advance. Participation was voluntary and the participants were informed that they could withdraw from the interview at any stage, and a date was also provided as to when they can withdraw their data. Participants were also informed on the time commitment, anonymity and confidentiality of the interviews (see Appendix C).

Chapter 5

Results

The preceding chapter explained the rationale and justification for adopting a qualitative approach for the research. The purpose of this chapter is to report the results of the perceptions of strategic human resource management among Hotel General/Human Resource Managers on employee performance.

The first section (5.1) presents results of the background of participants who participated in the study, the second section (5.2) presents the background information on the case study in Queenstown. The final substantive section (5.3) presents information on the findings developed from interviews with participants related to the research question. The results presented in this chapter are discussed in Chapter 6.

5.1 Participants used for the study

Out of the thirty five potential participants contacted for the study, only two agreed to participate. Even though, the researcher was disappointed with the response rate, authors such as Serafini & Szamosi (2015), have stated that if HR research participants are top executives in an organisation, it provides the researcher a unique insight into the implementation of HR policies and practices, since these people are in charge of implementing HRM at the unit level. Thus, the ability to reach, and discuss, with even a small number of inside senior managers on HRM issues, is a research advantage within this context and something not to be taken lightly.

The two participants used in this study were from distinct backgrounds with extensive experience in the hospitality industry. One is an experienced General Manager from a domestic hotel, whilst the other is a HR Manager from an International brand hotel chain. People occupying these positions are more likely to have a better knowledge of the strategic functions involving managing human capital to the extent that they motivate employees' interests (Hales & Tamangani, 1996). Additionally, they have a better knowledge and understanding of an organisation's strategic objectives and thus have a greater perspective (Harris & Mongiello, 2001).

There is very little agreement among researchers about what the minimum sample size is for qualitative studies, what most researchers' advice is for one to be able to justify the sample size with which one has to work with. Research studies conducted by Mason (2010) who looked at interview-based qualitative studies in Great Britain and Ireland found a range between 1 to 95 participants can be used. Thus, a decision was arrived to undertake an in-depth interview between these two

participants on how they perceive SHRM on employee performance from varying perspectives. According to Keegan and Lucas (2005), research in the hotel industry is said to be more difficult and challenging than in many other sectors especially where it borders on human resource issues. Responding managers normally perceive such issues as ‘sensitive’ which is likely to generate a low response rate. However, to assess the impact of SHRM on employee performance, these managers could and did provide relevant data.

5.2 Participating Case Study Hotels

Hotel A is a 148 roomed four star hotel. This hotel is on a vantage point overlooking the Remarkables⁵ and Lake Wakatipu with all guest rooms having either a spectacular lake or garden view. Hotel A is about 4.5km from the Queenstown centre and offers facilities such as a swimming pool, sauna, gymnasium, spa & sports storage room. The general manager is responsible for the day-to-day running of the hotel, and has seven line managers (see Figure 5.1). All staff⁶ are either full or part time and the organisation does not employ casuals.

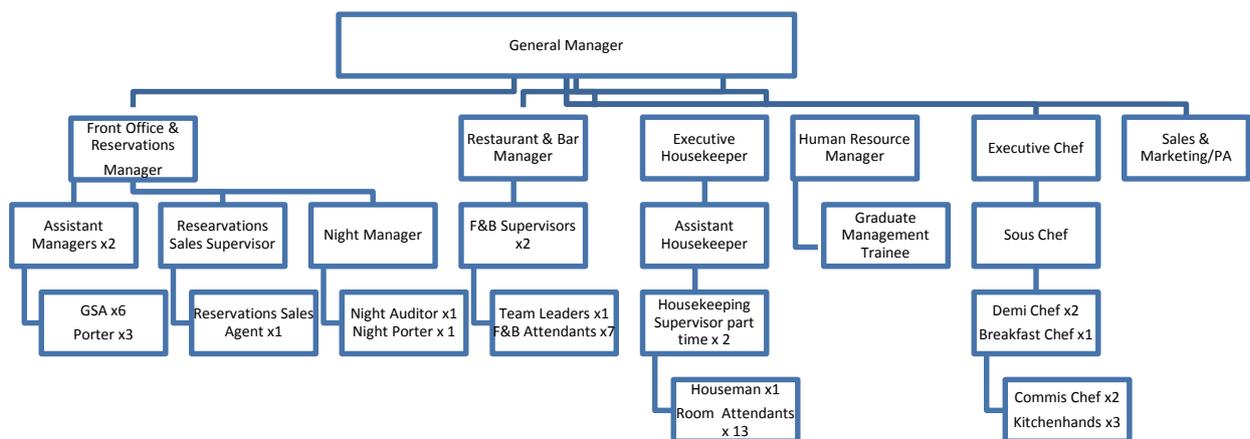


Figure 5.1 Organisational chart – Hotel A

Hotel B on the other hand, is a 75 roomed three star domestic hotel. It is located on a 5.5 acres of scenic grounds with many rooms offering panoramic views of Lake Wakatipu and the Remarkables Mountains. Hotel B is located 4km from the centre city of Queenstown and 4km from the International Airport and employs twenty six staff, with approximately only a fifth being permanent staff. The remainder are part timers and casual employees are rarely used. The general manager is responsible

⁵ Remarkables is a land mark in Queenstown.

⁶ The number of employees in Hotel A was not disclosed by participant.

for the management of the day-to-day affairs of the hotel, reports to a governing board, and has five line managers reporting directly to him (refer to Figure 5.2). Apart from the general manager and the line managers, all other staff are on part time contracts.

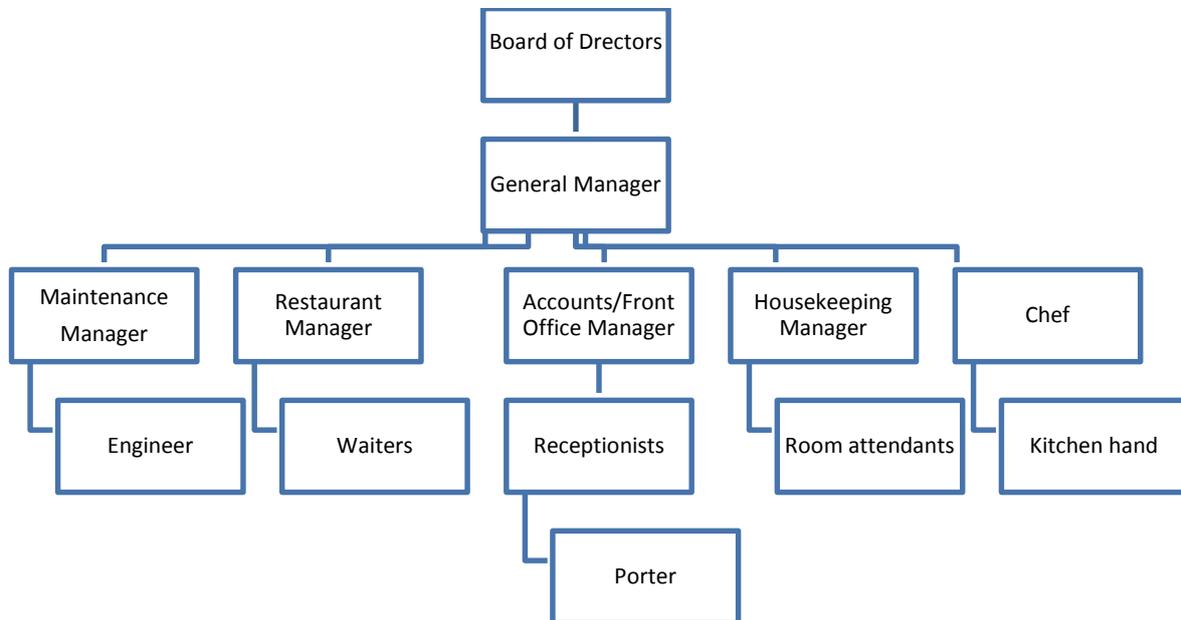


Figure 5.2 Organisational chart – Hotel B

5.2.1 Differences between the two case hotels

The two case study hotels presents contrasting attributes, whereas one is a part of an international chain, following standardised procedures, policies and practices as required by the chain, the other is totally domestic and independent. These varying characteristics of the case study hotels present an opportunity for research into how the managers perceive the impacts of SHRM on their employees’ performance.

5.3 Findings

Data collected from the participants was based on the four predetermined SHRM concepts: recruitment and selection, training and development, compensation and appraisal. The findings show that the two organisations have similar SHRM practices but the difference is centred on how each practice is executed. These are presented in the subsections below:

5.3.1 Recruitment and selection

Recruitment is the process of searching for and attracting an adequate number of qualified job candidates from whom the organisation may select the most appropriate to field its staff needs (McGunnigle & Jameson, 2000).

Representative statements on recruitment and selection to the question: *Explain how you integrate recruitment and selection in your organisational objectives or budget?* Hotel A comments are as follows:

“All R&S is done in-house and not outsourced. Some of the challenges we face is the competitive market in a seasonal place like Queenstown. Sometimes not only competing within the same industry but sometimes from other industries”.

“Higher wages in other industries also becomes a challenge for us. Some of the contributing factors are not being able to attract a wider pool of qualified applicants and employees due to their poor command of the English language. For example, in jobs like housekeeping, when you advertise you get a good response, but skilled jobs like maintenance it’s hard to find. Queenstown is expensive with a small market”.

“.....We do engage in selective hiring. Recruitment and selection is about hiring effectively, which can assist in enhancing employee commitment and reduce employee turnover. We also maintain a good relationship with local hospitality schools and other educational institutions in the country to source the right candidate that will fit into your organisations”.

“...we have a budget allocated which is done at the beginning of the year the budget for R&S is mainly goes into advertising which has increased over the years”.

Representative statement from participant of Hotel B includes:

“Because the business environment is unpredictable and uncertain, we are very flexible when it comes to recruitment and selection. It is hard to find people with the relevant skills, because of the volatile market demand. I have been trying to look for a receptionist for the past six weeks now, we have received lots of applicants with less experience”.

“We have been trying to look for a receptionist for the past six weeks now and we now have lots of applicants with less experience. The level of skilled workers are very low now and we want someone with experience because my longest serving receptionist has been here only for three months. We need someone with hotel experience who can train the old receptionist with their experience. We can definitely state that there is a huge shortage of hotel skilled workers in the country and around the world”.

“The problem in Queenstown is that it is a high socio-economic town and the average parents will rather prefer his/her kids going to university than becoming a kitchen hand or a waiter. So we don’t have such kids in town to go for apprenticeship scheme. The only thing we do now is have a relationship with a hotel school in Japan--- they start in July and finish in February but the language is also a barrier”.

“Recruitment costs has increased over the years. Due to the high turnover rate in this industry, sometimes we have to advertise vacancies in places like Christchurch and if we don’t get the

right people, this process is repeated till we get the required response. This cost the organisation time and money”

“Because staffing is erratic, employees’ duration of stay is recorded manually in a file to keep track of their availability. This is of one of the mechanism we use for staffing. Some employees will give us adequate notice because the employees are aware that it is difficult to find staff in Queenstown”.

“.....our budgets with regards to training and recruitment is always on the high side. Because of the high turnover rate, we lack experience employees who can deliver better quality service to our guests”.

...“Immigration is a problem. Holiday working visa being held by a number of these employees is worrying”.

Summary

The results show that both case study hotels have a challenge in finding suitable applicants to fill particular positions because they are not able to attract a large pool of skilled applicants to select from. This can be attributed to the peculiar nature of the study location. The difference lies in the way they implement their solutions regarding recruitment. Whereas Hotel A has budgetary allocations for recruitment and can rely on their chain for staffing, Hotel B does not have any budgetary allocation for recruitment.

The HRM literature identifies recruitment and selection as an input control system that can prevent performance deficiencies. In the next chapter (Chapter 6, Section 6.2), the results in this section are discussed to find out whether they are consistent with the HRM literature.

5.3.2 Training and Development

Training can be viewed as an investment in human capital which provides employees with unique knowledge, skills and abilities that add value to the firm and enable the performance of activities required to achieve organisational goals (Thang et al., 2010). Hotels, like any other organisation, must attach importance to training because it enhances employee retention which is one of the key objectives of SHRM (Cheng & Brown, 1998).

Representative statements on various forms and types of training from the question: *By integrating training in organisational objectives do you see any performance changes in your employees, kindly explain?* Hotel A comments are as follows:

“In [Hotel A] we certainly do train. In fact, every single manager or supervisor has a learning and development plan in place within the first three months of employment. Also, with our frontline staff after their three months reviews are done, then KPIs are set, and learning and development plans are put in place for them”.

".....well trained employees perform better. Training can also target a weakness that can help improve employee performance. Well, I must also emphasise that learning and development as KPIs can contribute to employee engagement outside the scope of their work".

"Formal training calendar comes once a year and only for operational roles, e.g. housekeeping, front desk, food and beverage, and maintenance. Employees in these departments require a level of skill like training, policy and procedures they need to learn to perform their task. Within the first three months of employment specific checklists are given to meet organisation standards".

"Academy A runs training for managers and supervisors. All training programs are designed from the regional office. Within the Hotel A brand of hotels the individual hotels facilitate their own training programs".

"Our HR budget has increased over the years and this is because of the technological changes like upgrade done on our systems and a lot of hours put into our new systems.

"We have introduced something called 'Peoplelogy' which is the culture of A hotels in Australasia which takes 8 hours to train one employee within the first month of employment. Most of the training programmes were previously done online and now it's face-to-face like classroom style learning. This has increased our 'Net Promoter Score' by 20% because of the hours of training given to our employees and this has impacted on guest satisfaction since its introduction".

"The organisation's training programs also motivate employees and this impacts their service delivery".

"Our training programmes are called workshops... for example training on standard operating procedures, brand loyalty, health and safety are all general training for every new employee we hire. Specific training like Key to Success depends on the role, for example housekeeping department if a room attendant wants to become a supervisor they have a checklist program or course they have finish to move up the career ladder. In my opinion I can't single one out, both impact on employee performance".

Representative statement from participant of Hotel B includes:

"The HR budget has increased for the past couple of years because we have to invest more money into training, more in-house training. Training is a culture in the service industry. You can't run away from this responsibility. It is embedded into everything we do here. From check-in to checkout. I put a lot of emphasis on training because looking at the conditions in Queenstown, to find any quality staff is very difficult. So we have to train them".

"Staffing is erratic in the sense that you are perpetually training staff. Training goes on every day, someone is always training someone.the industry spends a lot of money on training. If we the employers don't waste so much money training, that money can be added to employee wages".

"I guess the main emphasis is geared towards training and they turn out to be good employees in the interim. However, I must emphasise that employee development is on a case-by-case basis".

"Well any training impacts on employee performance because it gives the employee an idea on how to perform a task. For example, training employees in departments such as kitchen,

housekeeping on health and safety procedures are general training will help them to perform better and not endangering themselves as well. On-the-job training makes a huge improvement in their ability to perform a task. For example, showing an employee how to make a bed and the employee doing it his/her self thereafter motivates them”

“... there are no hospitality courses in Queenstown to train people so we have to train these people ourselves. This is an extra overhead we need to carry. The only thing I do now is I have a relationship with a hotel school in Japan--- they start in July and finish in February but the language is also a barrier”.

Summary

The results show that both hotels (A and B) have training programmes in place to improve their staff performance, but both adopt different approaches in training their staff. Whereas Hotel A uses a structured training approach using KPIs, making it easier for long-term strategic goals to be achieved, Hotel B uses a more reactive approach to address the training needs of the staff.

The HRM literature emphasises that training and development is crucial for employee performance which is key to organisational effectiveness. The literature further asserts that training and development has been identified as not only supportive of, but central to, business strategy and should be given every needed attention. The results from this section are further discussed in the next chapter (Chapter 6, Section 6.3) to find out whether it aligns with the HRM literature.

5.3.3 Employee Compensation

Compensation can affect the motivation of employees in several ways. According to Namasivayam et al. (2007) organisations can use performance-based compensation to provide rewards to employees for achieving set goals and objectives.

Representative statements on compensation related to the question: *Explain how incentives, rewards and others impact employee performance in your organisation?* Hotel A comments are as follows:

“All incentives and bonuses are linked to performance. This is just to motivate the individual and to encourage other employees. We have policies in place to reward outstanding performance or good performance in our organisational objectives. For example up-sell of rooms at the front desk, up-sell of dinner at the restaurant, and employee of the month awards. Employees are appreciated as individuals, recognised for their efforts for going an extra mile for a guest”.

Representative statement from Hotel B include:

“If an employee is performing well then a pay rise of 50 cents will be added to his rate ...For example, at [Hotel B] four waiters can be on different pay rates. The most important thing to me is that the staff have to learn that making money is very important. So employees should

learn upsell, not just the skills but the ability to sell. If employees don't make an effort to upsell then they will be on the basic rate".

"Pay rise is a bit important, but employee memory link to this is short. I don't see pay rise as a system to use to retain employees".

Summary

The results of the study show that both case study hotels adopt compensation strategies such as rewards and bonuses that are directly tied to employee performance. According to Torres and Adler (2012) compensation systems normally comprise of a fixed amount of base salary with extras like rewards and bonuses, which both hotels were found to adhere to.

The HRM literature makes a link between different components of compensation and employee performance. In the next chapter (Chapter 6, Section 6.4), the results from this section are discussed to find out whether it is consistent with the HRM literature.

5.3.4 Performance Appraisal

Appraisal involves setting work standards, assessing employee's actual performance relative to these standards, and providing feedback to the employee with the aim of motivating them to eliminate performance deficiencies (DeNisi & Smith, 2014).

Representative statements on how employees are appraised related to the question: *how often do you appraise employees in your organisation?* Hotel A comments are as follows:

"HR has been introduced as a key results area here in [Hotel A]. All strategic goals are set by the regional office and cascaded to hotels. This is done through effective communication via monthly meetings and emails. GM gives departmental goals to HODs. Being part of a bigger organisation we don't have enough room to make lot of changes. However, we have influence on how we communicate information to our teams and its impact on employee performance".

"Job descriptions are given to all employees which spells out their duties and responsibilities expected of them".

"Key Performance Indicators are set at a strategic level. Objectives are set and cascaded from General Managers to head of departments to frontline employees. This is usually done once a year and those objectives are not too rigid. Different objectives will be defined by KPIs for each department. Each department has key results areas. These key results areas will define KPIs. So for example - front desk, key results areas would be customer loyalty areas; and the KPIs will be how many loyalty customers each front desk staff can enrol within a period of time and/or upsell of rooms. Various departments can use these KPIs to measure if employees are effective in their performance".

"Other ways to measure employee performance is the job description we spell out to them. All employees are supposed to be compliant with company procedures. We give them employee hand books, access to Internet, and refresher courses are also periodically given. For example, here in [Hotel A] grooming and misuse of the Internet are some of the policies we use to

measure performance. If employees do not abide by these guidelines, then it becomes a performance issue”.

“We have our own written standard forms to record and manage employee performance. Other tools or techniques used are file note, prepare a document and signed by both parties. Other forms to manage employee performance is a record of discussion”.

“In all employees reviews KPIs are revisited to find out how well they are performing. Managers and supervisors are appraised thrice; three months after employment, mid-year and end of year. Whereas Frontline staff are appraised twice; three months after employment, and at the end of the year”.

“Grooming and misuse of the internet are some of the policies we use to assess performance. If employees do not abide by these guidelines, then it becomes a performance issue”.

“With appraisal we can plan ahead, but we always look back in time. That is, we review past actions and put some actions in place for the future. For example, if more training is needed for an employee or other career discussions”.

“The way we measure is by guest satisfaction. I know for a fact that our employees are happier in delivering better services”.

Representative statement from Hotel B include:

“To assess employee performance in this hotel this is normally done by picking through mistakes identify employees’ mistakes through their accounting processes, posting of dinner checks, complaints from customers. Staff coming onto other shift can also pick up mistakes”.

“However, repeated mistakes are not acceptable and calls for performance review, which is a process to get employees understand that they have a job to look after our guests”.

“... there is a written down list in every room to cross check performance a checklist is day-to-day task they to carry out. For example, front desk the morning shift has a check list of task they have to carry out such as in putting of guest profile into the computer, balancing of money in the cash drawers”.

“Pay rise is not based on appraisalWe don’t have serious appraisal systems here. Waiting for appraisal takes a longer time when someone makes a mistake you should be able inform that person immediately”

“...every department and every employee has a job description. Basically housekeeping have a job description, food and beverage have a job description and all other departments. Job description is the overview of responsibilities they have to achieve. It is not a checklist”.

“Staff retention and turnover rates are high in Queenstown because of its seasonality but in our hotel, retention and turnover are low because of the good company culture”

Summary

The results of the study show that both case study hotels use different tools to appraise their employees. Whereas Hotel A uses KPIs and other methods such as grooming, and handling of

organisational properties to appraise staff, Hotel B uses checklists, a reactive approach which they are not aware or recognise as a form of appraising their staff.

The HRM literature recommends performance appraisal as a tool to evaluate employees' performance, however, different approaches do exist in appraising staff. In the next chapter (Chapter 6, Section 6.5), the results from this section are discussed to find out whether it is consistent with the HRM literature.

5.3.5 Emerging themes from the research questions

In addition to the aforementioned summaries themes also emerged from the responses of the participants, which participants believe could influence overall employee performance in diverse ways. For the participant in Hotel A, organisational culture was identified as being key to employee performance: *"[Hotel A] culture is specifically designed to create a culture that employees can relate to each other and their guests in a positive way. This has impacted a lot on employee performance. In our company culture, first day of employment during induction, the GM, HODs are all present to address and welcome the new employees, this gives them a sense of belonging"*.

For Hotel B, immigration issues for potential employees was of concern to the participant with regards to employee performance: *"Immigration is a problem. Holiday working visa being held by a number of these employees is worrying. Most employees don't stay long in the job for them to acquire experience. People workfor just three months because of immigration holiday visa"*.

The shortage of skilled staff to fill vacant positions was mentioned by both participants. The participant in Hotel A stated *"...jobs like housekeeping, when you advertise you get a good response, but skilled jobs like maintenance it's hard to find"*. Similarly, the participant in Hotel B stated, *"It is hard to find people with the relevant skills, because of the volatile market demand. I have been trying to look for a receptionist for the past six weeks now, we have received lots of applicants with less experience"*.

The turnover rate of employment was mentioned by both participants. The participant in Hotel A stated, *"....our turnover rate for 2014 was 72%, and for 2015 till July is 39.4%"*. Similarly, the participant in Hotel B stated, *"... our turnover rate is rather on the high side and we recorded a turnover rate of 188% from July 2014 up until June 2015"*.

5.3.6 Conclusion

This study showed that the SHRM concepts (*recruitment and selection, training, compensation and performance appraisal*) impact employee performance. It was established in the study that when

employees are given explicit job descriptions and requirements, it is easier to measure employees' output. Through the study, it was revealed that both organisations have different approaches to measure employee performance objectively at the individual, departmental and for the entire organisation. Both organisations use different tools to assess employee performance, and the results show that it is challenging to find suitable applicants to fill particular positions because of their location. The findings of the study showed that both hotels have different approaches to training their employees, but have similar ways in which they compensate their employees. These differences and similarities are tabulated in Table 5.1 below.

Table 5.1 Similarities and differences between case study hotels

Similarities and differences	<i>Participants</i>	
	A	B
Recruitment and Selection		
Vacancies are advertised through various media	√	√
Collaboration with other hospitality educational institutions	√	√
Recruitment through agencies	X	√
In-house recruitment	√	X
Selective hiring	√	X
Skilled labour are scarce	√	√
Work permits are a barrier to prospective applicants	X	√
Clear job description		
Employees have a clear job description	√	√
Training		
Systematic and organised form of training	√	X
On-the-job training	√	√
Off-the-job training	√	X
Communicating the company's values and systems to the new employees is a part of orientation and induction.	√	X
Orientation and induction is conducted within the first month of new employees' employment.	√	X
The presence of senior management during induction	√	X
Performance appraisal		
Employees are formally appraised at least once a year and the performance appraisals are used to set goals.	√	X
Training is based on performance appraisal	√	X
Personal appearance and grooming are used as other forms of appraisal	√	X
Compensation		
Wage increments are based on employees' performance.	X	√
Employees are adequately rewarded and recognised.	√	√
Bonuses are based on employees' performance.	√	√
Empowerment		
Employees are empowered to make decisions through their job delivery	√	√
Turnover rate		
Employee turnover rates are recorded	√	√

Note X = not practiced; √ = practiced

Chapter 6

Discussion

This chapter examines the findings with respect to the central theme of the thesis which is to investigate managers' perception of how SHRM impacts employee performance using two case study hotels in Queenstown, New Zealand. Queenstown as the study location faces many HRM challenges due to the irregular and unpredictable customer demand during peak and off peak seasons and therefore the high use of contingent labour which leads to high labour turnover, and the retention of high skilled staff (Brien, 2004). These characteristics became evident in the findings of the study.

The findings highlighted in Chapter 5 are discussed with reference to the literature reviewed in Chapter 3, which focussed on (S) HRM and employee performance. This chapter demonstrates where the research findings either contradict or coincide with the literature review.

There are several interpretations to what constitutes or defines SHRM, however, despite its growing importance among HRM practitioners, no agreeable definition exists (Schuler & Jackson, 2008). A similar situation was identified among the participants of the study as they appear to have different understandings regarding SHRM practices.

The first section (6.1) discusses employee performance and how it is perceived by the hotel managers. The subsequent sections discuss recruitment and selection (6.2); training and development (6.3); employee compensation (6.4) performance appraisal (6.5); and how they impact employee performance. The last substantive section (6.6) discusses three emerging themes outside the SHRM concepts identified in the study.

6.1 Employee performance

Performance is a major multi-dimensional construct aimed to achieve results and has a strong link to strategic goals of an organisation (Isaac-Mwita, 2000). Based on the literature review, employee performance is categorised into two dimensions: task and contextual performance (Jiang et al., 2012; Motowidlo, 2003; Neves & Eisenberger, 2012). Task performance involves the effectiveness with which employees perform the activities that are formally part of their job and contribute to the organisation's technical core. Contextual performance comprises organizational activities that are not prescribed by the job, and do not contribute directly to the technical core. For example, contextual performance includes activities such as helping, cooperating with others, and volunteering, which are not formally part of the job (Kehoe & Wright, 2013; Rodwell et al., 1998).

The findings of the study suggests that participants viewed performance only from the task perspective. Possibly, this may be because it is much easier for managers to handle employee performance with quantitative assessment methods based on their job descriptions and requirements. For managers to assess performance in this way suggests that they have a one-sided view on employee performance which is consistent with the literature on how the hotel industry perceive performance (Denton & White, 2000; Sourouklis & Tsagdis, 2013). This may be because contextual aspect of performance as explained by Motowidlo (2003) are not legally binding on the employees and therefore they cannot be held accountable. What managers are more concerned about (Motowidlo 2003) is the contractual agreement which is the set of explicit obligations by way of job descriptions that an employee must fulfil to receive compensation and continued employment. It is therefore not surprising that in the case study hotels, the participants mentioned that all employees are given clear job descriptions based on which they are assessed. Further contextual agreements would take time to develop and the high turnover rate does not accommodate this.

This could possibly explain why managers do not pay credence to the contextual aspect of performance. So if the participants of the study seem not to be concerned about this aspect of performance, it could be understandable.

In the hotel settings, employee performance is an integral and crucial part within the organisation. This is because with the increasing market competition, coupled with severe economic cycles and the ever increasing labour costs, hotels are constantly finding ways to improve efficiency through their employees. Ahmad et al. (2010), stated that employee performance and its measurement cannot be taken for granted as this helps organisations to strategise and gain competitive advantage in the market (Ahmad et al., 2010; Kelliher & Johnson, 1997; McGunnigle & Jameson, 2000). Therefore, for the study participants focussing on giving clear job descriptions suggests that it will be easier for them to establish proper and appropriate performance measurement system for the employees and in addition to evaluating the entire organisational performance. It is not surprising that with regards to job description and performance expectations, there were no difference between the preferences and requirements and both case study hotels use job description as an element of (S)HRM.

6.2 Recruitment and selection

According to McGunnigle and Jameson (2000), within the HR literature, recruitment and selection is frequently identified as an essential function to which other HRM elements evolve. Strategic recruitment and selection is about hiring effectively. The process of recruitment begins with creating a pool of qualified applicants and selection involves choosing the right person from that pool, who can

perform the job most effectively (Davidson, 2003). The study found that both case study hotels had a challenge in finding suitable applicants to fill particular positions. The implication of this result indicates that both hotels do not satisfy the strategic recruitment requirements because they are not able to attract a large pool of skilled applicants to select from. This is partly not their fault due to the peculiar nature of the study location. Queenstown faces many HRM challenges due to the irregular and unpredictable customer demand during peak and off peak seasons and therefore the high use of contingent labour which leads to high labour turnover (Brien, 2004). The second challenge is that Queenstown being a tourist town attracts people with tourist and holiday visas, which limits their eligibility to work. For example, one of the respondents stated that:

“Immigration is a problem. Holiday working visa being held by a number of these employees is worrying”.

The third challenge is the language barrier of the job applicants. The lack of ability to speak in ‘reasonable’ English makes it difficult for them to be selected. With these challenges employees who are eventually selected might not meet the requirements of a particular position, thus may affect employee performance. From the above discussions, it can be deduced that the location of a particular organisation has a direct influence on the quality of employees they attract and the organisational ability to engage with SHRM.

The study found that to overcome the location specific constraints to recruitment and selection, the case study hotels adopt a number of strategies. Both hotels were found to advertise their vacancies using various innovative channels – local newspapers, notice boards, schools, outsourcing and on the internet. These recruitment channels have been argued in the literature as being the soft side to HRM (Wirtz et al., 2009).

Hotel B specifically has a memorandum of understanding with an International Hospitality Institute whereas Hotel A, has similar agreements with some hospitality schools in other parts of New Zealand outside Queenstown regarding recruitment. Apart from these recruitment avenues, Hotel A, relies on their hotel chain and an annual budget while Hotel B makes projections on the availability of employees based on their visa constraints to resolve recruitment crisis. For example, the participant said *“Because staffing is erratic, employees’ duration of stay is recorded manually in a file to keep track of their availability. This is of one of the mechanism we use for staffing”*. In the short term, this approach may be successful, but not in the long term. When an employee leaves, they take along with them valuable knowledge, past history and current projects of the organisation (sometimes to

competitors)(Shaw, Gupta, & Delery, 2005). In addition, time and money has been spent on the employees in expectation of a return. When employees leave, that investment is not realised.

6.3 Training and development

The significance and importance of training and development in the hotel industry has been recognised by many researchers (Cheng & Brown, 1998; Cho et al., 2006b; Thang et al., 2010). Training and development has been identified as not only supportive of, but central to, business strategy (Chand, 2010). In this study, it was found that both case study hotels do recognise the importance of training and development and also agree that there is a strong connection between HRM and business strategy as has been identified by De Cieri & Dowling (2006). This strong connection has been argued by Lucas and Deery (2004) as being a best way to handle labour scarcity and service quality expectations. The study again showed that the case study hotels recognise that training and development offer both old and new employees the opportunity to refresh, re-engage and develop new skills. Having this recognition is very important because Karatepe (2013) advises that once employees acquire new skills and knowledge through training, they are motivated and empowered, which have been identified by several researchers Aguinis and Kraiger (2009); Thang et al. (2010) and Kehoe and Wright (2013) as key ingredients for the attainment of organisational strategic goals. With regard to training, Hotel A has well-structured and planned training and development plans for their employees. New employees are given an organised induction at the time of employment where the vision, mission and strategic direction of the organisation is given to the employees. This is consistent with the training and development literature which states that hotels like any other organisation, should give importance to induction because it enhances employee retention (Cheng & Brown, 1998). McGunnigle & Jameson (2000) add that for organisations to enjoy the full benefits of induction, it must be formal and conducted possibly at the first week of employment. This is exactly what Hotel A, was found to be doing. For example, the respondent in hotel A stated:

“Induction training is organised on the first day or in the first week of employment, the General Manager, Heads of departments are all present to address and welcome the new employees, this gives them a sense of belonging”.

Further, for Hotel A, to be communicating the organisational vision and mission statements to employees they are said to adopt a strategic communication approach. A strategic communication approach to training employees according to Kelliher and Perrett (2001), is a way of enhancing the overall appeal of an organisation in the eyes of its employees and this has the benefit of increasing employee citizenship behaviours, improving service delivery which leads to customer satisfaction. One

possible explanation for Hotel A adopting this strategic communication approach at induction apart from it being part of a chain, could be a good strategy to reduce the hustle of attracting and retaining talents in an unpredictable business environment like Queenstown where the hotel is situated.

In contrast, Hotel B, has a rather fragmented and not well co-ordinated training and development. The training is not organised nor coordinated, this was attributed to the fact that employees leave while new ones are brought in and have to be trained on the job. For example, the participant in Hotel B stated that;

“Staffing is erratic in the sense that you are perpetually training staff. Training goes on every day, someone is always training someone”

Regardless of the fact that both case study hotels recognise the importance of training their employees, their approaches to training are different. One thing that is worth noting is that it would be easier for the strategic long-term goals of Hotel A to be achieved than Hotel B. Further, though training and development is expensive, if organised and coordinated could be cost effective in the long term. For instance Thang et al. (2010) argue that the cost associated with structured training approach can be managed prudently compared to the unstructured approach. This implies that if Hotel B wants to prudently manage the cost associated with their unstructured training program they need to start putting a certain kind of structure into it, regardless of the erratic nature of staffing.

However, as long as the approaches adopted by each organisation are meeting their respective organisational goals it is difficult to state that one approach far outweighs the other. Even though HRM researchers and practitioners recommend the formalised and structured training approach as long as the reactive training approach meet the organisational goals is what matters (Aguinis & Kraiger, 2009; Blanchard & Thacker, 2004).

6.4 Employee compensation

Appropriately designed compensation systems motivate performance, help attract and retain employees, and are considered to be a core element of any employer–employee relationship (Bloom & Milkovich, 1998; Scherzer et al., 2005). The findings from the study show that both organisations have similar ways through which they compensate their employees. They use a direct form of compensation such as a base rate (wages and salary) and pay incentives (bonuses) based on performance. The SHRM literature suggests that by adopting this kind of compensation systems as used by the case study hotels can lead to employee motivation and empowerment (Davidson et al., 2010), retention (Guthrie et al., 2009) and increase performance and attracting quality staff. Even

though such compensation systems and the expected outcomes are laudable, they have several disadvantages. For example, the respondent in Hotel B stated:

“Pay rise is a bit important, but employee memory link to this is short. I don’t see pay rise as a system to use to retain employees”.

Expectancy theory (Locke & Latham, 2002) suggest that people will not respond to incentivised pay if the potential reward is not seen as worth the effort. Yet incentive pay increases are often small in the hotel industry (Namasivayam et al., 2007) and in times of inflation they decrease further and the reward offered may not meet the expectations of the individuals concerned. Therefore, if expectations are not met then it may not lead to motivation, increased performance, and retention as expected by employers. Again, it could be possible that in Hotel B that can have, for example, four waiters doing the same work but on different pay rates, this may not necessarily motivate them to work but rather create unhealthy competition amongst them.

Therefore, SHRM researchers such as Namasivayam et al. (2007) and Hoque (2013) have suggested a combination of indirect and direct forms of compensating employees. The study found that the advantages associated with indirect forms of compensation (such as health insurance and pension schemes) which also contributes to enhancing employee performance were not exploited by the case study hotels.

6.5 Performance appraisal

Obisi (2011), defines performance appraisal as any work process that entails setting work standards, evaluating employees’ actual performance relation to these standards. As a result, providing feedback to the individual with the goal to encourage the employee to address any performance deficiencies to perform above par.

In the hotel setting, according to the respondents, the central concern of managers is results and therefore performance is measured as such. This research found that both case study hotels appraise their employees, but Hotel A has a more organised strategic human resource in comparison to Hotel B. Whereas Hotel A uses KPIs, Hotel B picked on mistakes that employees make to assess performance. In the SHRM literature, using the concept of KPIs requires organisations to break their top level objectives down into smaller concrete targets (KPIs) (Sourouklis & Tsagdis, 2013). This makes it easier for such organisations to manage the process of delivering and measuring employee performance, therefore making it convenient for them to communicate and achieve their strategic visions. In using KPIs as a performance measuring tool, Hotel A adopts a two stage process for

appraising their managers and non-managerial employees. Whereas all managers are appraised thrice (at the first quarter, mid-year and end of year), the non-managerial employees are appraised twice (at the first quarter and end of year). Using such a strategy could possibly be due Hotel A being part of a larger chain and their HR policies and practices are advocated by their Regional Offices. This practice of chain hotels or franchises having standardised operating systems is consistent with the SHRM literature (Jassel, 2012). In addition to using KPIs, Hotel A adopts other approaches such as misuse of internet, absenteeism, personal appearance and grooming to appraise their employees. If employees do not abide by these guidelines, then it becomes a performance issue. Hakala (2008), mentioned that employee performance can be assessed by the above approaches.

Performance appraisal by 'picking on staff mistakes', as stated by the respondent from Hotel B, may not be the best practice for managing employee performance strategically. This approach according to Hales and Tamangani (1996, p. 748), "*reflects a hands-on, functional action rather than a reflective, strategic management style approach*". This implies the lack of formality and possibly an ad hoc approach to managing employee performance. However, picking on employee mistakes can be a good learning ground for the organisation and employees, and also a good resource base for training.

In appraising employees, Hotel B does not consider their approach as a suitable tool for assessing employee performance. For example, the respondent stated that:

"We don't have serious appraisal systems here. Waiting for appraisal takes a longer time. When someone makes a mistake you should be able inform that person immediately".

The implication of this statement is that the respondent does not recognise that their practises of using checklist is a form of appraisal. They only consider formal appraisal as the only recognised process of assessing employee performance. This means that the participant in Hotel B knows the importance and the benefits of adopting SHRM but still chooses to use their own approach, possibly because of the erratic nature of staffing or the participant's perception of staff appraisal is not up to date with current SHRM concepts. Thus, in Hotel B there is no strategic HRM in action as SHRM implies proactive management, not reactive (Wilton, 2006). However, as long as the reactive approach has sustained them in business up to this point this is what matters.

6.6 Emerging themes from the research question

As indicated in the results chapter, four distinct themes (see subsections 6.6.1 - 6.6.3) emerged from the responses of the participants that were peculiar to the case study sites, which according to the participants, has a direct influence on employee performance.

6.6.1 Employee turnover rate in hotels/hospitality

Mobley's (1977), definition for staff turnover involves an employee engaged in a certain position in an organisation who leaves that position after a certain period. Mobley also points out that employee turnover behaviour comprise of a complete termination of the employee–employer relationship. This study found that staff turnover was one of the major challenges facing both case study hotels. For Hotel A, the turnover rate for 2014 was 72% and 2015 till July 39.4%, whereas for Hotel B, the participant complained about the unprecedented high turnover rate of 188% over a period of a year, thus from July 2014 – June 2015. This finding is consistent with the results from the studies conducted by Ryan, Ghazali, and Mohsin (2011) and Yang et al. (2012) that employee turnover constitutes one of the significant problems in the tourism and hotel industry Lee and Way (2010) and Moncarz et al. (2009) mentioned that of employee turnover rates in the hospitality industry ranges between 60%-300% annually. The implication of a high staff turnover is that it will be challenging for hotels to have the full complement of employees. This may lead to strain and affect the morale on the remaining workforce but also lead to the loss of productive employees while reducing efficiency. Further, it will be challenging to make the necessary forecast and planning which can negatively affect the strategic formulation and progress of the organisation.

Authors such as Dewhurst et al. (2007) have identified that staff turnover is predominately high in Small Medium Enterprises (SMEs) in the tourism and hospitality industry. This is because most of the establishments are independent, lack the necessary means to implement good HR strategies, and the short-term focus on managerial decision-making and strategy (Guerrier & Deery, 1998; Wilton, 2006). Therefore, the challenges both hotels are encountering is consistent with what has been previously found in other studies. According to the HRM literature (Kelliher & Johnson, 1997) chain or international brands of hotels are known to have better HR policies and practices that focus on career pathways for employees through effective succession planning. Wilton (2006), makes it clearer by stating that larger hotels (especially chain hotels) adopt higher levels of HR 'best practices' compared to small independent ones. Therefore, the two case studies in this research are performing as expected.

6.6.2 Immigration issues

Another peculiar finding to Hotel B in the case study was the issue of immigration. The participant in Hotel B noted that one of the key explanations to labour scarcity was the applicants' permit to work. According to the participant, most of the job applicants have work visas that places limitations on how long they can work. This has a direct impact on the recruitment and selection, and training process of the organisation. The long term impact of this is limitations placed on organisations' strategic

initiatives especially in planning and forecasting. Migration issues has been noted by Choi, Woods, and Murrmann (2000), as one of the main issue that prevents the proper implementation of SHRM in the hotel industry. Wood (1999) is of the view that the hotel industry has been characterised by migrant workers whose visa conditions place restrictions on how long they can work, and therefore, raises the questions of staff retention and training and development. An interesting fact that needs mentioning is why the immigration issues do not affect Hotel A though the two case study hotels are located in the same locality? Possibly this could be because Hotel A is a part of a chain and could therefore rely on the chain for more permanent staff and size, or because they are able to put structures in place to attract people who may want to build a career in the industry or probably they go the extra mile to help solve this issue amongst the staff they employ. If the latter is the case then it is something that Hotel B could try considering in order to eliminate or minimise this issue, as staff turnover (Cheng & Brown, 1998) and lack of training and development (Chiang, Back, & Canter, 2005) are found to negatively impact employee performance.

6.6.3 Culture

Every organisation has a personality which is evidenced by the way things are done in that place. The various attitudes, values and beliefs that are shared and normally adhered to strictly are all inclusive of the culture in that organization. One key issue that emerged from this study is Hotel A organisational culture that empowers employees to work freely without fear of being blamed for mistakes, but rather focus on solutions, which the respondent was very proud of. The respondent stated that the existence of the good company culture can be attributed to the low staff turnover rate. This is captured in the statement made by the respondent Hotel A:

“Staff retention and turnover rates are high in Queenstown because of its seasonality but in our hotel, retention and turnover are low because of the good company culture”

The respondent said this strategy has been adopted because it helps the new employees to assimilate the workplace quickly and boost their confidence. In addition, the respondent indicated that this culture has been specifically created to enhance positive relationship between employees which it is believed would translate into positive employee-customer relations. The implication here is that once such a strategy is adopted, Hotel A is directly encouraging the development of employee citizenship behaviours right from the early stage of employment. This (employee citizenship behaviours) has been argued as by several researchers Hemdi and Nasurdin (2007); Nadiri and Tanova (2010) and Tang and Tang (2012) as having a direct influence on employee performance. For instance according to Dagenais-Cooper and Paillé (2012) when an employee feels part of an organization, he/she is more

likely to stay in employment for longer periods, gain more experience, become innovative in the ways of doing the assigned role and ultimately improve performance.

Hotel B did not mention any particular culture that they are using or practising, but the idea of picking on mistakes of staff gives no room for errors. This could be noted as an implicit culture they are practising without actually emphasising it out loud by way of putting staff on their toes to give out what they have been employed for. According to (Kemp & Dwyer, 2001) organisational culture has a significant impact on employee performance therefore, it is in the interest of organisations to reduce negative factors that impede employee performance in order to foster or a positive organisational culture.

6.7 Summary

This chapter discussed the implications of the results of the study in light of the research question, which is, how does SHRM impacts on employee performance? SHRM researchers have documented that an organisation's success with regards to their attainment of strategic goals is reliant on its employees (Becker & Gerhart, 1996; Bloom & Milkovich, 1998; Torres & Adler, 2012). This study showed that the SHRM concepts (*recruitment and selection, training, compensation and performance appraisal*) impacts employee performance. With regard to recruitment, the study established that location plays a key role in the quality of staff employed (see Section 6.2), and this was found to be a challenge to both organisations studied. Both organisations train their employees using different approaches, while one is reactive, the other is structured (see Section 6.3). However, the reactive training approach was suggested by the participant to be costly, and therefore, it is not surprising that the SHRM literature recommends the structured, long term training approach for employees. Both organisations adopts a performance-based compensation approach in rewarding their employees (see Section 6.4). Similarly, both organisations appraise their staff, whereas one uses KPIs, the other picks on employee mistakes (see Section 6.5).

Whereas Hotel A is more SHRM focussed, the other, Hotel B, is not. However, as long the approaches adopted by each organisation are working and meeting their respective organisational goals, it is difficult to state that one approach far outweighs the other.

In the following, concluding chapter, Chapter 7, the main findings are reviewed, the limitations of the study are discussed and suggestions for future research – which build on the discussion in the present chapter – are discussed.

Chapter 7

Conclusion

This thesis has examined managers' perception of how SHRM influences employee performance in the hotel industry using four (S) HRM concepts (Recruitment and Selection, Training and development, Employee Compensation and Performance Appraisal). The following research question was addressed in this study:

How does managers' perception of SHRM impact employee performance?

Using the base of hotels in Queenstown, New Zealand, as a case study, the following objectives were developed:

1. To understand (via interviews) hotel General and HR Managers perceptions of how SHRM impacts employees' performance.
2. Analyse (via) content analysis the interviews to establish themes.
3. To promulgate the findings of the research to the hoteliers in Queenstown by reports.

This chapter provides a brief overview of the study (Section 7.1), and discusses: first, interesting contributions the study made that validated the (S) HRM literature in various ways (Section 7.2); second, contributions to knowledge, policy and practice (Section 7.3); third, possible study limitations and future research (Section 7.4).

7.1 Thesis overview

In this study, a qualitative research approach was used to examine managers' perception of how SHRM impact on employee performance, using two case study hotels in Queenstown, New Zealand. The study established that chain hotels, by virtue of having standardised HR practices, demonstrated better application of SHRM than the small independent hotels which were found to be more reactive in their approach. The study also concluded that irrespective of the managers experience in hotel industry, the context and environment one finds himself or herself determines whether he/she can become SHRM compliant or not.

Chapter 1, presents the case study location, showing that an environment such as Queenstown has to strategically adapt to the seasonal influx of tourist from all over the globe. The area has been marked

as having peculiar characteristics with regards to the human resources and hospitality services provided. This chapter sets the foundation for investigating whether strategic human resource management can be implemented in a labour intensive industry like the hospitality sector in Queenstown.

Chapter 2, discusses the relevance and contributions derived from the tourism industry globally to which the hospitality industry is part of. This is discussed in terms of how the hospitality industry impacts economic growth and job creation. This chapter also highlights the HRM challenges encountered by the hospitality industry.

Chapter 3, reviews the HRM and SHRM literature through various definitions and theoretical perspectives; however, the definitions of these two concepts are multifaceted and imprecise. The review also brought out some interesting contrasting arguments between researchers regarding the definition of HRM and SHRM and how there is a thin line distinguishing between the two concepts. With the hotel industry regarded as a highly labour-intensive and competitive, this chapters sets the foundation of adopting four SHRM concepts which has been recommended by several researchers Tsaur and Lin (2004); Davies, Taylor, and Savery (2001); Cho, Woods, Jang, and Erdem (2006a) to be examined in relation to employee performance in different contexts.

In Chapter 4, the research methods and design are described. A qualitative case study approach was used to elicit information from two participants from distinct backgrounds with extensive experience in the hotel industry. These participants were assessed in relation to the key research question.

The results of the study are presented in Chapter 5. Some of the results indicate that SHRM practices are better applied depending on the type and size of hotel, and others to the context and environment a manager finds himself or herself in.

Chapter 6 draws together the results and analysis of those results, revealing that chain hotels by virtue of having standardised HR practices demonstrate a better application of SHRM, than small independent hotels. The results also revealed that irrespective of the managers' experience in hotel industry, the context and environment are important factors for SHRM compliance.

7.2 Contributions to knowledge of SHRM

The overarching contribution made by this study is to give insights into managers' perceptions on four SHRM concepts and their influence on employee performance from the base of hotels in Queenstown, New Zealand. The study has several implications pertaining to the theory of SHRM within the

hospitality industry. This section highlights the contributions this thesis makes to the knowledge of SHRM.

First, this thesis has contributed to the relatively unexplored area of SHRM (Becker & Huselid, 2006) and addressed the empirical gap of limited studies specifically examining managers' perceptions of how SHRM impacts on employee performance.

Second, this thesis confirmed the HRM literature that there is minimum participation of hotel managers in research, especially if it focuses on their employees. The lack of participation and involvement in research has implications with regards to data, drawing linkages and making recommendations for practice.

Third, this thesis found that location plays a key role in attracting skilled labour in the hotel industry. Queenstown is noted to be a tourist location, and therefore a high socioeconomic activity area. In the peak season most of the tourists hold temporary working visas with restricted conditions. These tourists make the majority of applicants seeking employment and are very often unskilled, and many having language difficulties. Another impediment that location places on the hotel industry in Queenstown is finding skilled employees to fill certain key positions.

Another important contribution to the SHRM literature is that chain hotels are more receptive to SHRM practices than independent hotels. Chain hotels, by virtue of having standardised HR practices, demonstrated better application of SHRM than the small independent hotels which were found to be more reactive in their approach.

Drawing from the findings of other studies (Taylor & Finley, 2008; Wilton, 2006), this thesis concluded that irrespective of the manager's experience in hotel industry, the context and environment one finds himself or herself determines whether he/she can become SHRM compliant or not. This because both participants of the study were found to have extensive experience in the hotel industry, however, it was easier for the one who had standardised HR practices to comply and implement SHRM practices than the other who had none.

7.3 Contributions to policy and professional practice

The findings from this study suggest several implications for policy. The Government and other stakeholders must consider establishing local hospitality training schools with scholarship schemes that will help attract suitable applicants to Queenstown and into the hotel industry. Further, they

could also consider encouraging a strategic alliance between tertiary institutions and colleges and the hotel industry to provide programmes that are industry driven and related.

Although this research was conducted in a specific context in Queenstown, New Zealand, hotel professionals and managers outside this area may reflect on the findings of this study and see how they can utilise the knowledge to improve their practices.

For professional practice, the findings from this study could be used as basis for training for managers, especially for independent hotels, on the need to adopt SHRM to some extent. For example, they should constitute induction programmes/orientation for newly employed staff. The scope of induction programmes for new employees could be broadened to make it more strategic, for it is beneficial for employees to know how every aspect of their job and/or actions is linked to the business strategy.

7.4 Possible study limitations and future research

Whilst the perceptions of the participants on four SHRM concepts on employee performance has been explored and illuminated, one acknowledged limitation is that the outcomes of the research is not transferable or generalisable to other hotel contexts.

A further limitation to this study is the number of participants used for the study. If the number of participants had been a more, the findings would have been more diverse and revealing. Whilst this is not 'fatal' to the contributions this research has made, in case study research numbers are less of a concern as it seeks to explore issues in-depth.

Another potential limitation is that, this study focussed on managers' perceptions on four SHRM concepts: recruitment and selection, training and development, compensation and appraisal, and did not explore the managers' perceptions on other equally important areas of SHRM, for example, employee relations and performance management. Future research could therefore consider managers' perceptions on employee relations and performance management and other functional areas of SHRM.

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Appendix A

Ethics Approval

The document below is the ethics approval for the research (**Chapter 4, Section 4.4**).

A.1 Ethics approval

	Research and Innovation T 64 3 423 0817 PO Box 85084, Lincoln University Lincoln 7647, Christchurch New Zealand www.lincoln.ac.nz
Application No: 2015-08	19 March 2015
Title: The Perceptions of Strategic Human Resource Management among Hotel/HR managers on Employee Performance- A Case Study of Hotels in Queenstown, New Zealand.	
Applicant: Dela Awo Mansa Agbodo-Otinpong	
<hr/>	
<i>The Lincoln University Human Ethics Committee has reviewed the above noted application.</i>	
Thank you for your response to the questions which were forwarded to you on the Committee's behalf.	
I am satisfied on the Committee's behalf that the issues of concern have been satisfactorily addressed. Thank you for your responses to the follow-up questions.	
I suggest that you ask someone to proofread the documents for minor errors, and include in the letter information about what you want the recipients to do if they wish to participate. (The email reminder includes this but not the letter.) This is not a requirement of the HEC – merely some feedback.	
I am satisfied on the Committee's behalf that the issues of concern have been satisfactorily addressed.	
I am pleased to give final approval to your project. Please advise Alison Hind when you have completed your field work and confirming that you have complied with the terms of the ethical approval.	
May I, on behalf of the Committee, wish you success in your <u>research</u> .	
Yours sincerely	
	
Caitriona Cameron Acting Chair, Human Ethics Committee	

Appendix B

Consent form

B.1 Consent form

The Perceptions of Strategic Human Resource Management among Hotel/HR managers on Employee Performance - A Case Study of Hotels in Queenstown, New Zealand

I have read and understood the description of the above-named project. I am satisfied about the level of information provided to me and the assurances made about ensuring my anonymity. I understand that participation is voluntary and that I can withdraw my cooperation and the data I provided up to May 6, 2015 when data analysis begins, by contacting the researcher or his supervisors and citing the code number at the top of this Consent Form. (I understand that the code number is to be used solely for this purpose.) On this basis, I agree to participate in the research and consent to the information that I provide being used as part of reporting on how hotels strategically use their human resources to achieve increased productivity.

I AGREE/DO NOT AGREE to have the interview session digitally recorded. (Please circle your preference)

I AGREE/DO NOT AGREE to see the transcript of the interview. (Please circle your preference)

Name:

Signed: _____ Date: _____

Please note:

This signed page is received by the researchers, therefore guaranteeing your responses will be totally anonymous.

Appendix C

Research Information Sheet

C.1 Research Information Sheet



Lincoln University, Faculty of Commerce and Agribusiness Research Information Sheet

You are invited to participate as a subject in a project entitled:

The Perceptions of Strategic Human Resource Management among Hotel/HR managers on Employee Performance- A Case Study of Hotels in Queenstown, New Zealand

What is the aim of this project?

To understand the perceptions of Hotel General Managers and Hotel Human Resources Managers as to how strategic Human Resource Management affects employee performance. Strategic Human Resource Management in the context of this research refers to integrating human resource functions with the long term goals of the organisation to improve employee performance.

Do I have to participate?

No. Participation in this research is voluntary.

If you do wish to participate in this project, it involves (maximum) 45-1hour interview.

Nature of the questionnaire

The questions are based on integrating human resource functions to the entire business objectives that affect employee performance in the longer term.

Data collection

The main source of data for this research is the interview session between you and the researcher. With your permission, the interview session will be digitally recorded. If this is not acceptable to you, only written notes will be taken. In either case, you may ask to review and ask for changes to be made to the interview transcripts.

How will anonymity be preserved?

All data will be reported in aggregate format. No individual or organisation will be identified.

Participants will remain anonymous in any presentation or published findings from this research.

All participants' responses will not be shared with anyone except my Lincoln University supervisors.

When to withdraw information or review transcripts?

Participants have the right to withdraw from the research, including any supplied information up to May 1, 2015 when data analysis begins. If you wish to withdraw please contact the researcher or her supervisors by citing the code number given to them at the start of the interview.

Who is conducting the research?

The researcher, Dela Awo Mansa Agbodo-Otinpong, is completing a Masters in Commerce and this research fulfils this requirement. Dela can be contacted at DelaAwoMansa.Agbodo-Otinpong@lincolnuni.ac.nz or by telephone on (XXX) XXXXXX XX, and will be pleased to discuss any concerns or queries you have about participation in this project.

Who is supervising the research?

Dr Anthony Brien, Senior Lecturer in Business and Hotel Management and Dr Neil Ritson are supervising this research. Dr Brien can be contacted via phone: XX XXXXXX or email: Anthony.Brien@lincoln.ac.nz and Dr Ritson at Neil.Ritson@lincoln.ac.nz and will answer any concerns you have about participation in this project.

Who has approved this research?

The project has been reviewed and approved by the Lincoln University Human Ethics Committee.

What will happen to the results?

The results of the project may be published at a later date, but you may be assured of your anonymity in this investigation as the identity of any individual participant will not be made public, or made known to any person, other than the researcher, her supervisor and the Lincoln University Human Ethics Committee, without the participant's consent. To ensure anonymity the following steps will be taken:

1. Your name will not be recorded against any comments
 2. The interview has a code number. This code is used solely to monitor interviews undertaken and no correlation of this number to any participant will be retained.
 3. The data (e.g. audio recording of interview) will be stored securely on a laptop with a password, and be kept in a locked cabinet free from any intrusion.
-

Appendix D

Invitation Letters

D.1 Letter of invitation to participate in a research project

Dear Sir/Madam,

Re: Invitation to participate in a research project

My name is Dela Otinpong and I am presently completing my Masters in Commerce which focuses on the link between strategic human resource management and increasing employee performance and productivity. As with any professional organisation, hotels want to ensure that their most valuable (and expensive) assets – their employees, are as productive as possible as this leads to increased profitability.

Queenstown is a unique resort location in New Zealand and within this the hotel industry has its own set of employee challenges: significant tourism industry growth, extreme seasonality, employee turnover, etc. all which impact productivity. This research seeks to review how hotels strategically use their human resources to achieve increased productivity.

The confidential information you provide me will be carefully analysed and reported in aggregate form. The results of the research will be communicated to all participants and a symposium will be organised in Queenstown to invite hoteliers to discuss the results.

I would like to invite you, as part of a group of nine other Queenstown General Managers and Human Resource Managers (20 people in total). Your experience and position in the industry will provide vital information in this research.

If you agree to participate, I will be in Queenstown from the 23rd-27th of March, 2015 and again from the 13th -17th of April, 2015. I will appreciate if you can confirm your availability within these times via email, phone or text. All that is required is an individual and confidential 45-minutes interview to discuss how your organisation strategically use it human resources to achieve increased productivity and the challenges you face in doing so.

Participation is entirely voluntary and no hotel or individual will be identified during any interview or in any reporting of the results. With your permission, I will record the interview. If this is not acceptable

to you only written notes will be taken. In either case, a transcript of the interview will be provided to you and any corrections you may wish to make.

As some background to myself and my supervisors. I have a BA (Hons) in Hospitality Management from the United Kingdom and eight years working experience in the hotel industry at a managerial level. My supervisory team is made up of Dr Tony Brien who has undertaken significant research on human capital in the hotel industry, and Dr Neil Ritson – a strategic business management expert. This research has been reviewed and approved by the Lincoln University Human Ethics Committee.

Thank you for considering the information.

Dela Otinpong

Lead researcher:

- Dela Otinpong: (E-mail contact: delaawomansa.agbodo-otinpong@lincolnuni.ac.nz or phone contact: +XXXX XXXX)

Supervisory team made up of:

- Dr Anthony Brien: (E-mail contact: Anthony.Brien@lincoln.ac.nz or phone contact: +XXXX XXXXX)
- Dr Neil Ritson: (E-mail contact: Neil.Ritson@lincoln.ac.nz or phone contact: +XXXXXX XXXXX)

D.2 Reminder – Letter of invitation to participate in a research project

Friendly Reminder

Hello Participant,

I hope by now you have received an invitation to participate in a Lincoln research. If you have not please see the Research Information Sheet attached.

If you agree or decline the invitation to participate, can you please let me know. Contact details are as follows:

- Phone or text: XXX XXXXX
- email: delaawomansa.agbodo-otinpong@lincolnuni.ac.nz.

If you agree to participate, may I know your availability? I will be in Queenstown from the 23rd-27th of March 2015 and again from the 13th-17th of April 2015.

Thank you for your valued assistance.

Regards,

Dela

Appendix E

Interview Questions

E.1 Interview questions for the participants of the study

Section 1: Employee performance

Employee performance

1. How would you define 'employee performance' in terms productivity in your hotel?
For example employees at the Front desk, Food and Beverage, Housekeeping and other departments.
2. What tools, techniques or systems do you use to manage employee performance in your organisation?
3. If you answer yes to Q2, do you use a special software programme to manage employee performance in your organisation?
4. Over the past 4 years has the HR budget increased or decreased and can this be attributed to employee performance. If payroll has gone up has performance gone up? Please explain.
5. What HR techniques (*do you think*) positively impacts employee performance?
6. Briefly describe, the role HRM plays in enhancing employee performance in terms of linking to organisational goals.
7. Does integrating HRM into the strategic goals of the organisation impact on employee performance?

Section 2: Training and development

1. Does the organisation integrate training and development programs into its business objectives? If yes, how?
2. By integrating training in organisational objectives do you see any performance changes in your employees? If yes, how?
3. Does the organisation has a strategic training and development plan to enhance employee performance? If yes, describe it?

4. Are there any formal training programs to teach new or old employees the skills they need to perform their responsibilities to the desired level? How was this level defined in the first place?
5. Over the past 4 years has your training payroll increased or decreased? If so, what are the variances and what is the justification for them?

Section 3: Recruitment and Selection

1. Do you integrate recruitment and selection in your organisational objectives or budget? If yes, how?
2. Do you engage in selective hiring? If yes, How?
3. By selective hiring, do you see any impact on your employee performance? If yes, How?
4. Over the years has you recruitment and selection payroll increased or decreased?
5. What challenges do you have with R and S? Why are these challenges and do they impact hotel performance?

Section 4: Compensation

1. Do you have compensation policies in your organisational objectives linked to performance? If yes, what are they and if not why not?
2. Do incentives, rewards and others impact employee performance? If yes, how? If not why not?
3. Are bonuses or incentives planned primarily on employee performance? If yes, how?

Section 5: Appraisal

1. How often are employee appraisal completed? Is this too often, not often enough, OK – explain
2. Do you perform appraisal to plan skill development and training needs for future progression of employees? If yes, how, when?
3. Does performance appraisal impact employee performance? If yes, how?

Appendix F

Supplementary Questions

F.1 Supplementary questions for participant in Hotel A

1. In our previous interview, you stated that regarding recruitment, your budget has increased marginally over the years? How are you able to know this information and how is this information made available to you?
2. So why are HR managers not involved in budgeting?
3. In our previous interview, you stated that the company culture has impacted well on your employee performance even by way they relate to each other and the guests? Can you please explain what you mean by company culture?
4. Can you please explain if your role is more of a personnel or an HR manager?
5. Can you please tell me what percentage of your staff are core/ part-time?
6. Can you please tell me what types of employees are your core workers?
7. Can you please tell me what types of training (specific or general) impact on performance?

F.2 Supplementary questions for participant in Hotel B

1. How do you know it's a mistake?

- a. In our previous interview, if I may quote you correctly, you stated that "To assess employee performance is normally done by picking through mistakes". You further stated that "When an employee keep making mistakes then it becomes a problem". My question to you is "How do you identify that an employee has made a mistake?"

Based on answer to question 1, next follow up question may be:

2. Do you have any standards to cross check against performance?

3. Do you have any systems in place to also to manage employees' performance? e.g. legal policies like ACC and non-legal policies like pay, informal and formal training programs

- a. So, how do you record these measures?

4. Why don't you have a structure in place like staffing

- a. In our previous interview, if I may quote you correctly, you stated that "staffing is erratic" meaning it is an ongoing issue more so you said "it is difficult to get the right people "Do you have any mechanisms in place for staffing?"

5. Do you have job description?

- a. In our previous interview, if I may quote you correctly, you stated that "someone is always training someone", do you have a job description for your employees? So how do you manage employee performance with job description?

6. In our previous interview you mentioned that getting the right person is key but a lot of your answers focussed on training rather than recruitment. Is there a reason for this shift?

7. From your experience, do you see any distinction between the roles of personnel management and HRM?

8. In our previous interview, you mentioned that you prefer someone for apprenticeship for a career development. Do you have any apprenticeship scheme in your organisation?

9. In our previous interview you mentioned that the payroll for R&S increased. Do you have any suggestions to this problem?

10. Can you please tell me what percentage of your staff are core/ part-time?

11. Can you please tell me what types of employees are your core workers?

12. Can you please tell me what types of training (specific or general) impact on performance?

Appendix G

Three to Five Star Hotels in Queenstown

G.1 Primary list of hotels

The table below contains the first list of hotels contacted for the study (Chapter 4, Section 4.2.4)

Hotels	Star rating	Phone number	Address	Number of rooms	Chain	International/Domestic
Hilton	4-5	(03) 4509400	79 Peninsula road, Queenstown,9300	220	Hilton	International
Sofitel	5	(03) 4500045	8 duke street Queenstown,9300	82	Accor hotels	International
Crowne plaza	4-5	(03) 4410095	93 Beach street,Queentown, 9300	139	Intercontinent al hotel group	International
Heritage Queenstown	4	(03) 4501500	91 Fernhill road, Fernhill Queenstown,9300	175		Domestic
Mercure Queenstown	4	(03) 4426600	Sainsbury Road,Queentown,9300	148	Accor hotels	International
Novotel Hotel	4	(03) 442750	Corner Earl street and marine parade Queenstown,9300	273	Accor hotels	International
Rydges Lakeland	4	(03) 4427600	38-54 Lake Esplanade,Queenst own,9300	255	Global hotel alliance	International
The Rees Hotel	4-5	(03) 4501100	377 Frankton Road Queenstown,9300	60 rooms plus 90 apartment	No	Domestic
Millennium Hotel	4	(03) 4500150	32 Frankton Road, Queenstown 9300	220	Millennium hotels and resort	International
Hotel St. Mortiz	4-5	(03) 4509400	10-18 Brunswick Street, Queenstown	220	Accor hotels	International
Swiss-Belresort, Coronet peak	3	(03) 4427850	161 Arthurs Point Road, Arthurs Point,9371	75	Swiss-Belresort	International
Heartland Hotel	3	(03) 4427700	27 Stanley street QT,9197	81	Scenic hotel group	Domestic

G.2 Secondary list of hotels

The table below contains the secondary list of hotels contacted for the study (Chapter 4, Section 4.2.4).

Hotel	Star rating	Address	Number of rooms	Phone contact	chain	International/ Domestic
Millbrook Resort	4-5	Malaghans road, Arrowtown,9348	160	(03) 441700	No	Australasia
Pepper Beacon	5	33 lake Esplanade,QT,9300	82	(03) 3661063	Mantra group	International
Goldridge resort	4	38-54 Lake Esplanade, Queenstown,9300	75	(03) 4426500	The Mainstay hotel group	Domestic
Copthorne Hotel and Resort	3-4	27 Frankton Road QT,9300	240	(03) 4500260	Millennium	International
Oaks Club Resort Shores	4	171-179 Frankton Road QT,9300	129	(03) 450005	Oaks hotel and resort	International
Copthorne Hotel and Apartment	4	88 Frankton Road QT,9300	66 rooms plus 19 apartment	(03) 4427950	Millennium	International
Oaks Hotels and Resort	4	327-343 Frankton Road QT,9300	63	(03) 4502700	Anantara hotels	International
Sherwood Manor Hotel	3	554/558 Frankton Road, QT 9348	78	(03) 4428032	No	Domestic
Tanoa Aspen Hotel	4	139 Fernhill Road, Fernhill QT,	73	(03) 3790181	Tanoa hotel group	Australasia
Kawarau Hotel	3	79 Peninsula Road Kelvin Heights, QT, 9300	84	(03) 4501650	Managed by Hilton	International
Edgewater Wanaka	4-5	54 Sargood Drive, Wanaka 9192	105	(03) 4430011	No	Domestic

G.3 Full list of three to five star hotels in Queenstown

The table below contains the full list of 3-5 star hotels contacted for the study (Chapter 4, Section 4.2.2)

Hotels	Star rating	Number of rooms	Phone number	Chain	International/ Domestic
Millennium	4	220	03 4500150	Millennium Hotels and Resorts	International
Hilton	4-5	220	03 4509400	Hilton	International
Hotel ST Moritz	5	142	03 4424990	Accor Hotels	International
Millbrook resort	4-5	160	03441700		Australasia
The Spire Queenstown	5	10	03 4410004	No chain	
Peppers Beacon	5	82	03 3601063	Mantra group	International
The Rees hotel and luxury	4-5	60 hotel rooms and 90 luxury apartment	03 4501100	None	Domestic
Sofitel Queenstown	5	82	03 4500045	Accor Hotels	International
Heartland hotel	3	81	03 4427700	Scenic Hotel group	Domestic
Kawarau hotel	4	84	03 4501650	Managed by Hilton	Domestic
Oaks club resort	4	63 apartments	034502700	Anantara Hotels	International
Oaks club resort shores	4	129	034500005	Oaks hotel and resorts	International
Eichardt's private hotel	5	10	034410450	Good group Hotels	Domestic
Breakfree the points hotel	4	20	034411899	Breakfree hotels	Australasia
Tanoa Aspen hotel	4	73	64 93790181	Tanoa Hotel group	Australasia
Goldridge resort	4	75	03 4426500	The Mainstay Hotel group	Domestic
Copthorne hotel & resort	3-4	240	03 4500260	Millennium group	International
Mercure Queenstown resort	4	148	03 4426600	Accor Hotels	International
Novotel Queenstown	4	273	03 4427750	Accor Hotels	International
Rydges Lakeland resort	4	255	03 4427600	Global Hotel Alliance	International

Scenic suites same as Heartland hotel Queenstown	4-5	84	03 3571919	Scenic Hotel group	Domestic
Crown Plaza	4-5	139	03 4410095	Intercontinental Hotel group	International
Edgewater Wanaka	4-5	105	03 4430011	No chain	Domestic
Heritage Queenstown	4	175	03 4501500	Heritage group	Domestic
Dairy private hotel	5	13	03 4425164	No chain	Domestic
Brown's boutique hotel	4-5	10	0800456081	No chain	Domestic
Nugget points boutique hotel	4-5	36	0800654789	Distinction Hotel group	Domestic
Central Ridge hotel	4-5	13	03 4424233	No chain	Domestic
Queenstown Park hotel	5	19	03 4418441	No chain	Domestic
Sherwood manor hotel	4	78	034428032		
Arrowtown House boutique hotel	5	5	034416008	No chain	domestic
Copthorne hotel and apartment	4	66 rooms 19 bedroom apartment	03 4427950	Millennium group	International
Garden suites and apartments	4-5	54	03 34429713		
Scenic suites Queenstown	4-5	84	03 5371919	Scenic hotels	Domestic
Double tree by Hilton	4	98	034501650	Hilton hotels and resorts	International
Cardrona hotel	4		034438153	No chain	Domestic
Platinum Queenstown	4-5	36	037467700	No chain	Domestic
Breakfree The waterfront	4-5	16	034425123	Breakfree hotels	Australasia
Swiss Belresort coronet peak	3	75	034427850	Swiss Belresort	International
Hurley's of Queenstown	4	22 apartments	03442599	Golden chain motels	Australasia
New Orleans hotel	3	9	034421748	No chain	Domestic