An exploration of the nature, determinants and influence of HRM in service sector SMEs.

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Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of Doctor of Philosophy, is entirely my own work, and that I have exercised reasonable care to ensure that the work is original, and does not to the best of my knowledge breach any law of copyright, and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

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List of Abbreviations

CPR	Cardio-pulmonary Resuscitation
COPs	Consumer Opinion Platforms
ETB	Education and Training Board
eWOM	Electronic word-of-mouth
HACCP	Hazard Analysis Critical Control Points (food safety management system)
IHF	Irish Hotel Federation
NERA	National Employment Rights Authority
RevPAR	Revenue per available room
SEW	Socioemotional Wealth
SFA	Irish Small Firms Association
SME	Small and medium-sized enterprises
SNS	Social Networking Sites
UGC	User generated content
WERS	Workplace Employment Relations Study
WRC	Workplace Relations Commission

Abstract

Alison Sheridan

An exploration of the nature, determinants and influence of HRM in service sector SMEs

Existing research on HRM in SMEs which has moved beyond size to consider sectoral influences has focused primarily on manufacturing, largely via quantitative analysis. Such approaches, reflecting the many tensions in the area, have prioritised the existence of HR policy over its depth or coverage, thereby offering a picture of intended rather than actual HR practice. Furthermore, a normative view of HRM arising from larger firm settings provides limited insight into the 'why' of HR in SMEs. By contrast, this research adopts a single sector, in-depth qualitative approach focusing on hospitality. Examining HR issues in this context provides potential for significant insight due to the critical role of people in service delivery. Specifically, utilising a multiple case methodology, including managerial and employee respondents, the research explores the nature, determinants and outcomes of HR practices across five differently star-rated smaller hotels. In so doing it illuminates the reality of how HRM actually operates, accommodating informality, employment dynamics and the tensions of a negotiated order in a real world service context.

Key findings include the impact of the market segment focus of the hotel over and above the star-quality rating of the hotel. This exposes the limits of generic definitions of strategy and broad categorisation of sectoral influence. A second key finding concerns the significant and imprinting role of various owner-manager styles and ownership arrangements and how these are manifest in varying expectations about work and ways people are managed. Finally, a notable emergent finding relates to the use of technology and social media as a means of socialisation, to reinforce customer voice and/or as a basis of managerial control.

Overall, this thesis contributes to the existing research on SMEs by addressing an identified gap in our understanding of how HR practices operate within service-sector SMEs through a consideration of relevant contextual factors. Moreover, it does so by bringing in a much needed employee perspective, while also highlighting the imperative of incorporating customer influence, in order to achieve a more holistic understanding of the reality of HR practices in a smaller firm, hospitality context.

Chapter 1- Introduction

1.0 Introduction

Although small and medium-sized enterprises (SMEs) make a significant contribution to the economy and employment, they remain marginalised in HRM research (McClean and Collins, 2019; Wapshott and Mallett, 2016). Consequently, SMEs provide "a unique but under researched context" (Roumpi and Delery, 2019: 431). While the uniqueness of HRM issues, in the context of the smaller firm, is well established (Allen et al., 2013; Wilkinson, 1999), the tendency to explore SMEs as one, homogeneous sector is increasingly recognised as presenting an oversimplification of reality. Likely differences will be found in HRM as related to sectoral factors such as the nature of human capital involved, competitive intensity, and industry table-stakes (Bacon and Hoque, 2005; Boxall and Purcell, 2016).

In order to progress understanding this research will focus on HR practice in smaller service firms, where the impact of people management is a significant, if not *the* critical, factor determining survival and success (Kusluvan et al., 2010). Where previous (SME) research has explored services, this typically has been with an exclusive high-end, technological focus and without appreciating the diversity of firms within sectors (Gilman and Edwards, 2008). In focusing on hospitality this thesis explores a diversity of hotel types, while accommodating the experiences of both managers and employees. This addresses calls to further explore context in SME research, and equally to overcome a reliance on managerial respondents (Harney and Alkhalaf, 2021). An in-depth qualitative approach across multiple single sector case studies, specifically five hotels, provides for fuller consideration of the impact of various (internal and external) elements on the reality of HR practice in operation. Acknowledging that advancement of knowledge is often possible at the nexus of various disciplines (Molloy et al., 2011), the research draws on services marketing literature to inform existing HR knowledge. Bringing the customer influence into sharper focus offers an enhanced stakeholder perspective. The interlinking of customer, employer and employee relationship is found to be pertinent to advancing understanding of why HR practice operates as it does in a specific SME context.

This chapter will further outline the rationale for this research, including the significance of SMEs and the service sector in Ireland. It will then detail the research objectives and contribution, before concluding with an overview of chapters.

1.1 Rationale

There is growing recognition of the need to better incorporate context in the study of HRM (Cooke, 2018; Farndale and Pauwe, 2018; Jackson et al., 2014). Despite the fact that research relating to large firms has dominated the HRM agenda for a considerable period, there is an acceptance that the output of such research may not have adequate applicability in a smaller firm setting (McClean and Collins, 2019; Rauch and Hatak, 2016). Smaller firms are likely to confront specific HRM challenges as related to size, resource constraints, concentrated ownership, and the dynamics of informality (Atkinson, 2008; Harney and Dundon, 2006; Mallett and Wapshott, 2014). Such factors are likely to impact directly on the way people are managed in small firms, whether this is officially labelled HRM or not (Marlow, 2006). Added to this there is also a need to better incorporate employee voice and experiences of work (Guest, 2011) to provide a holistic and rounded picture of HRM as it operates in smaller enterprises.

Existing HR literature in the SME sector continues to contend with definitional complexity and a resulting lack of comparability (Harney, 2015). While the EU provides a definition of small and medium-sized firms based on number of employees and annual turnover (see table 2.1), this is not aligned to a variety of quite different definitions incorporated in research emanating from other jurisdictions (e.g. the US[1] or Australia[2]). Moreover, a simple comparison of broad SME literature within Europe overlooks the substantial variance that is likely to exist between organisations employing anywhere between 11 and 249 employees. To provide clarity and reduce the likely variance from size factors alone, case studies for the current research have been purposefully selected from organisations with between 10 and 100 employees and these are referred to as '*smaller*' firms throughout the thesis.

[1] Small firms = American companies with less than 500 employees may be defined as small (Way, 2002)
[2] The Australian Bureau of Statistics (ABS) defines a firm as small if it employs less than 20 workers and medium if it has up to 199 employees, regardless of the industry sector in which it operates (Office of Small Business 1999). Small firms are classified further into micro firms (if they employ less than five workers) and small firms if they have between 5 and 19 employees (Kotey and Slade 2005).

Moving beyond strict size delineations, it is acknowledged that while small firms face specific contextual limitations and challenges, it is important nevertheless to recognise that any attempt to describe small firms as a homogeneous sector is unhelpful and an oversimplification of the facts (Wilkinson, 1999). Many writers, including Marlow (2006), Ram and Edwards (2003) and Tsai et al., (2007), have highlighted that sector may be more important than size when considering HR practices in smaller firms. It is therefore overly simplistic to treat the SME sector as one which will benefit from the same prescription as may apply either in larger firms, or indeed, as may be presumed to apply unilaterally in the SME sector (Heilmann et al., 2018). A more nuanced approach is required to enhance understanding of context-specific settings. By taking a single sector approach and ensuring a tighter size comparability it is intended that greater insight will be achievable.

Early research in HRM was predominantly located in the manufacturing sector (MacDuffie, 1995). This imbalance is increasingly being addressed within the general service literature, but there remains something of a bias towards high tech settings in the SME literature (Baron and Hannan, 2002; Dietz et al., 2006; Gilman and Edwards, 2008). While a more limited stream of research is becoming established which focuses on SMEs outside the high tech sector (see Altinay, 2010 for a study of ethnic minority-owned hospitality firms; Altinay et al., 2008 for a study of the relationship between HR practices and growth in small services firms; DeGrip and Sieben, 2009 for a study of retail pharmacies; and Mallett and Wapshott, 2014 for their study within professional service firms) there remains a myriad of SME sectoral settings which are relatively unexplored. The impact of sectoral differences and contextual factors (Tsai et al., 2007) highlights the need for a more focused investigation of HR practices within a single sector services setting. Addressing this need in hospitality specifically, Tracey suggests that the "ways in which HR systems and practices can be adapted in response to the dynamic nature of hospitality settings" is an area worthy of further consideration (2014:691).

Within hospitality, the role of talented and highly motivated staff as a key element of customer satisfaction is well established (D'Annunzio-Green et al., 2019; Kusluvan et al., 2010; Tracey, 2014). Critical within services is the role of frontline workers, who are recognised as essential to the quality and performance of the service (Chuang and Liao, 2010). Moreover, the challenges inherent in these boundary spanning roles are recognised (Wirtz and Jerger, 2016) as they seek to shape the service encounter and offer the potential for service differentiation (Heskett et al., 2015). Consideration of the associated challenges

may be best situated in a sector specific setting "where the nuances and structural dimensions of industries are emphasised" (Gannon et al., 2012:514).

In parallel to the rationale provided above it is useful to acknowledge my personal interest in the field of study. Having spent a significant portion of my early career in HR practitioner roles, my own interest in the area of HR in SMEs came into focus when I transferred to a full-time lecturing role. As an academic it became increasingly clear to me that typical introductory HR textbooks failed to adequately accommodate the idiosyncrasies that were reflected from the lived experience of the workplace of a considerable portion of both full and part-time students. The normative view presented of topics such as High Performance Work Systems (HPWS) for example was largely bereft of an SME lens. From a teaching perspective this proved to be a frustration but it also provided an interesting avenue for further research. Earlier work by Drummond and Stone (2007) highlighted the challenges around the lack of portability of high performance work systems in an SME context. From a research perspective this indicated the potential relevance of a broader understanding of the nature of HRM in place in SMEs and so was influential in the final selection of a research topic and the subsequent development of research questions.

1.2 Significance of SMEs and the hospitality sector in Ireland

According to the OECD (2019) SMEs contribute just under 70% of employment and account for 99.8% of all enterprises in Ireland. The case outlining the significance of the service sector to the EU economy, and to the Irish economy specifically, has been well documented. Notably, Ireland's largest business sector, the services sector, accounted for over half (54.4%) of all enterprises in 2017 (CSO, 2020). In employment terms, 47.6% of people employed in the Irish economy in 2017 were employed in the services sector (CSO, 2020). Moreover, Forfás recognises that services may be the key to our economic success, with forecasts that services could account for nearly 80% of GDP by 2025. This reflects the established OECD position that "a well-functioning services sector is key to the overall economic performance of OECD countries and to the welfare of its citizens" (OECD, 2005). Furthermore, SMEs are a strong component of services in Ireland with enterprises within the services sector accounting for 53.7% of all SMEs' Gross Value Added (GVA) in 2018 (CSO,

2020). Despite its significant contribution to the economy "services as a focal area within management can be considered to be still in its infancy in contrast to the field of services marketing" (Subramony and Pugh, 2015: 350).

Within services, the hospitality sector is recognised as one of Ireland's largest indigenous industries and a major contributor to the Irish economy (IHF, 2021). Indeed, hospitality is strongly connected to the broader tourism sector; a sector which is credited with the creation of 90,000 new jobs since 2011 (IHF, 2021). Notably, the landscape of this sector is characterised by small tourism firms (STF's) (Nolan et al., 2020). Within the Irish hospitality sector specifically, the hotel sector is the largest component, with the Irish Hotels Federation estimating that over 65,000 people were employed in the sector prior to the Covid-19 pandemic (IHF, 2021). Over the 10 year period 2009-2018, the hotel sector was a strong contributor to economic recovery in Ireland, with demonstrated year-on-year growth in occupancy levels increasing from 59.4% to 75.1% over the period (Crowe, 2020). The dramatic and significant impact of Covid-19 in the sector resulted in 87% of hotels in Ireland already being fully closed for three months by June, 2020 (Crowe, 2020). This was reflected in employment statistics, with the accommodation and food services sector showing a decrease of over 60% in employment between Q1 and Q2 of 2020; the most marked decrease in employment of any sector in Ireland in that time period (CSO, 2021). According to the Irish Hotels Federation (IHF), the continuing Covid-19 crisis has resulted in 160,000 temporary job losses in the tourism and hospitality sector (IHF, 2021). The recovery of this sector in the short term and its pivotal contribution to economic success on an ongoing basis, make this a relevant setting for further research endeavours.

Hospitality, is noted as an area that displays unique characteristics. Issues around seasonality, and challenging workforce conditions (Baum et al., 2016) contribute in part to high labour turnover and a significant reliance on part-time staff. Moreover, different service dimensions and the opportunity for customer and employees to develop "genuine bonding relationships" set the sector apart from other service settings (Kandampully et al., 2014:296). In combination, these factors point to the potential benefits of a more focused research approach. Indeed Baum et al., (2016) contend that workforce research within tourism and hospitality has been relatively neglected. Allied to this, a comparative review of HRM and hospitality research by Tracey over the 10-year period 2004-2014, highlights that a 'one-size-fits-all approach' is not appropriate, making the case for further research to investigate "the characteristics that are particularly salient in labour-intensive, service-focused settings

[to] determine which HR policies, practices, and systems may have the most utility and impact" (Tracey, 2014:692). While numerous conceptual contributions in hospitality and tourism point to a need for further research, (Baum, 2005; Davidson et al.,2011; Garcia-Lillo et al, 2018; Kamdampully et al., 2014; Kusluvan et al., 2010; Madera et al., 2017; Tracey, 2014) specific HR research in smaller hospitality settings remains sparse (see Altinay, 2010 and Nolan et al., 2020 for notable exceptions). This research sets out to respond to the identified need by providing an explanatory account of the nature of HRM practice in operation across five distinct hotel types.

1.3 Research Objectives and Contribution

The research study focuses on the investigation of the nature, determinants and influence of HR practice in smaller hotels. Drawing on insights from managerial and employee respondents the specific objectives of the research are to

(i) identify the nature and extent of HR practice in existence in different star-rated smaller hotels
(ii) explore the determinants that shape the experiences of HR practice in SMEs in the hospitality sector
(iii) identify what HR practices are perceived (a) by employers and (b) by employees to support organisational performance in SMEs in the hospitality sector
(iv) investigate the outcomes for employees arising from different HR practice

Utilising qualitative data from 41 semi-structured interviews across five case hotels, the resulting data provides a foundation to extend existing research on SMEs by addressing an identified gap in our understanding of how HR practices operate within service-sector SMEs, through a consideration of relevant contextual factors. The approach taken facilitates a much-needed employee perspective reflecting the views of Kandampully et al., (2014) who have identified that the predominant approach in existing hospitality literature is from the organisation perspective. In addition to accommodating the employee perspective, the current research, located with the services sector, highlights the imperative of incorporating customer influence in order to achieve a more holistic understanding of the reality of HR practices in a smaller firm hospitality context. In doing so, this study offers a contribution to existing literature as presented in three key findings, outlined below.

Firstly, a key finding includes the impact of the respective market segment focus of the hotel over and above its star-quality rating in shaping the nature and approach taken to HRM. This exposes the limits of generic definitions of strategy and broad categorisation of sectoral influence (Edwards et al., 2006). Indeed, existing literature highlights sector as a significant consideration in exploring the reality of smaller firms (Marlow, 2006; Tsai, 2010). Following a sectoral approach, and focusing on hotels of different quality ratings shows that hotel quality, as determined by star-rating, is insufficient to explain the variances identified. Indeed, there was as much variance across hotels with the same star rating as across quality ratings.

While existing services/hospitality literature offers some consideration of the role of the customer, albeit in a generic manner, the customer impact on HR practice has received an inadequate proportion of research attention to date. This study moves discussion beyond a broad consideration of market-related factors (e.g. Wu et al., 2013) and indeed beyond the application of generic business strategies such as that offered by Porter (1980). Building on earlier conceptual frameworks provided by contributors such as Harney and Dundon (2006) and Edwards et al., (2006), the approach taken in this research specifically includes the customer influence as evidenced across specific market segments, and its impact on the resulting HR practice. From this research it is clear that SMEs (often represented as being less strategic in their approach) align their practice in response to the market segment(s) served.

A second key finding concerns the significant and imprinting role of different owner-manager styles and ownership arrangements and how these are manifest in varying expectations about work and the ways people are managed (Georges et al., 2012). Whereas existing frameworks such as those offered previously by Edwards et al., (2006) have highlighted the relevance of the owner influence, consideration of this factor has been primarily one dimensional. The findings from this research show that the role and influence of the owner is best understood in a relational manner, reflecting the impact of dynamic interactions. This aligns in part with the work of McClean and Collins (2019) which highlights that HR practices interact with other internal resources. In line with the work of Steffenson et al., (2019), the current research acknowledges the top team dynamic, rather than a singular focus on the owner-manager. Significantly, actors such as the general manager and other family members are identified as providing significant influence in this context.

Finally, a significant emergent finding from this thesis relates to the nascent use of technology and social media in ways which impact on HR practice. Cognisant of the views of Madera et al., who acknowledge that "HRM researchers have not focused on technology and its influence on HRM issues" (2017:55), this study takes a step towards addressing this deficit in the literature. Moving beyond the increasingly established use of social media in recruitment, this research identifies broader roles including its use as a means of socialisation of new employees, to reinforce customer voice and/or as a basis of managerial control. The impact of Tripadvisor beyond its original intended purpose as a travel guidance platform, provides broader and potentially significant consequences for employees within these service settings. Indeed, considerations arising from the use of technology in this manner may be seen to mirror in part the work of Gandini (2018) on the gig economy, thereby contributing to a much needed discourse on the evolving role of technology within HRM.

Overall, this research advances our understanding of HR practice in an SME context and begins to illuminate the manner in which external and internal influences permeate organisational boundaries, thereby contributing to a greater understanding of the elements within the '*black box*' of HR in SMEs. Specifically, it adds to the discourse on HR in SMEs by taking a multi-disciplinary perspective which has been noted as lacking (Harney and Collings, 2021). By focusing on a high contact service environment, it re-focuses attention on the role of employees and their interdependent relationships with the customer. Adopting a stakeholder approach to exploring the influences on HR practice, provides a degree of explanation for what may be described as a more iterative process of HR practice development in service sector SMEs.

1.4 Thesis Organisation

This thesis is presented in six chapters. Chapter 1 outlines the background to the research. Chapter 2 presents an overview of existing literature relating to HR with particular reference to HR practice in an SME context. Particular features of the services literature are explored with specific attention given to the hospitality sector. As a guide to the research, a proposed conceptual framework is presented which seeks to balance context and stakeholder interests within a services environment. Chapter 3 presents the research focus and objectives (section 3.1). Thereafter, it provides a justification for the qualitative case-based approach taken,

together with some key definitions of terms used in the thesis. Details of the process for identifying the five sample cases which are drawn from within the smaller hotel sector are included. The qualitative approach adopted allows for a more nuanced understanding of the influence of contextual factors on this research. Moreover, this approach also facilitates the amplification of the employee voice which is a feature that has frequently been absent in HR research to date.

Chapter 4 presents the findings from five case studies completed in the hotel sector in Ireland. The hotels studied ranged from three-star to five-star in terms of the quality rating allocated by Fáilte Ireland. Each case is presented separately commencing with an outline of the case background. Thereafter a review of practices in place across the four main functional areas of recruitment and selection, performance and reward, training and development, and employee voice is presented before moving to a contextual review of identified determinants. Chapter 5 presents a discussion of the findings commencing with a comparison of key points of variance across the case hotels evidence previously presented in chapter 4. Significant themes emerging from this research are presented with a discussion of the key findings in the context of existing literature. Finally, chapter 6 presents the main conclusions and suggestions for further research while also acknowledging certain limitations to this study.

1.5 Summary

The aim of the current research is to increase understanding of HRM in a smaller firm and specifically to investigate '*how'* HR practice operates in small service sector firms. This moves discussion beyond a purely content driven perspective which has relied solely on information relating to the existence of HR practices. This chapter has outlined that the significant imprint of services and hospitality makes this an important task. Moreover, it documents the need to move beyond homogenous understanding both across SMEs and within sectors. Finally, the chapter and research points to the need to recognise the significance of both employees and customers if HRM in hospitality is to be adeqautely understood and acccommodated.

Chapter 2 - HRM in smaller firms: a service sector perspective

2.0 Introduction

This chapter presents an overview of existing literature relating to Human Resource practice in small and medium-sized enterprises (SMEs). In order to provide a means of comparability, definitional clarity is required in terms of SMEs. Specifically, the focus of this study favouring *smaller* firms is outlined. An exploration of extant HR literature related to SMEs points to the need to move research beyond a pre-disposition towards manufacturing settings and managerial respondents highlighting the merits of a sectoral and context-sensitive approach as a means to achieve greater insight. In reviewing HRM in SMEs, the context of a services environment and specific features of hospitality are then considered in more detail. Notably, attention is focused on the significant role of both the frontline worker and the customer; areas that have previously received inadequate coverage in HR literature specific to SMEs. Finally, drawing on existing frameworks, a proposed conceptual framework is presented which seeks to balance context and stakeholder interests within a services environment. Framing the research in this manner provides a means to move beyond an earlier more deterministic treatment of HR in SMEs, thereby offering the potential for a more integrated understanding of both the tensions and outcomes that arise within the complex arena of small firm employment relations.

2.1 Definition of Small and Medium-sized enterprises: challenges and pragmatism

In advance of considering the substantive literature in this area, it is important to be aware of the variety of definitions used to determine what is meant by the term SME. Using the number of employees and annual turnover as the measure of size, the European Union (EU) currently defines a firm with fewer than 10 employees and below €2m in turnover as micro; with small being defined as having fewer than 50 employees and under €10m in turnover; while medium-sized firms are those with no more than 250 employees and an annual turnover of less than €50m (see table 2.1 below). It should be noted that balance sheet maxima, as given in the table below, also apply and the qualifying criteria that a business should not be a wholly owned subsidiary is inherent in the definition. Previous definitions by the European Commission identified firms with 0-10 employees as micro; those with 10-

99 as small; and those with 100-499 employees as medium. This could mean that the literature based on certain size criteria may lack direct comparability over time.

Table 2.1: EU criteria defining an SME

Enterprise Category	Head Count	Annual Turnover	Annual Balance Sheet Total
Medium-Sized	< 250	≤ €50 million	≤ €43 million
Small	< 50	≤ €10 million	≤ €10 million
Micro	<10	≤ €2 million	≤ € 2 million

Source: European Commission (2005)

While useful in a European context, these definitions run into difficulties when considering the contributions of researchers across cultures and regions (Raby and Gilman, 2012). In the US, for example, small may be defined as "no more than 500 employees" (Way, 2002) or up to 1500 people (Wilkinson, 1999). Small firm researchers such as Atkinson (2008) and Wilkinson (1999) have alluded to the difficulty of securing a universal definition when investigating the role of HR/employment relationships in SMEs. Given the myriad of definitions currently in use, it is clear that caution should be exercised when attempting to directly compare the results of research coming under the broad umbrella of the SME sector. Additionally, pragmatic considerations may mean that many contributors have used a variation of these definitions in their work (Kotey and Slade, 2005). Within the broad categorisation of SMEs and for pragmatic reasons outlined further in chapter 3, this study focuses on the qualitative terminology of *smaller* firms, which for the purposes of the research have been defined as companies with between 10 and 100 employees. This approach assists in providing a focus on enterprises which are likely to share certain characteristics, something which proves particularly pertinent in attempting to provide an explanatory account of the determinants impacting on HR practice. It also addresses recent calls by Harney and Alkhalaf (2021) for research which is informed by more considered and consistent definitions.

2.2 The importance of the SME sector

The importance of SMEs to both the Irish and the European economy is widely accepted. According to the Annual Report on European SMEs 2018/2019, they are the backbone of the European economy, employing two out of every three employees and producing 56.4 per

cent of every euro of value-added in the Non-Financial Business Sector (NFBS). Within Ireland, small and medium-sized enterprises were estimated to account for 99.8% of the total number of organisations in 2018 (European Commission, 2019). Allied to this economic significance, is the critical role that SMEs play in creating and sustaining local employment, in fostering innovation and as part of the critical value chains of the multinational firms. It is noteworthy that SMEs account for just over 70% of all persons employed (European Commission, 2019). Whether measured in terms of employment numbers or revenue it is clear that the SME sector is of significant size and relevance to the Irish economy. Despite this, SMEs remain largely ignored by HR research (Sheehan, 2014).

Accepting the critical role of the SME sector to the economy necessarily aligns with an acceptance of the role of skills development in driving business growth in Irish SMEs (National Skills Strategy 2025; Enterprise 2025). However, key challenges must be recognised in this context. From a policy perspective the Irish Small Firms Association (SFA) frequently argue that SMEs are in the shadow of multinationals when it comes to policy emphasis. Even where policy initiatives to support skills development are introduced SMEs continue to face additional challenges relating to limitations of both time and financial resources. For example, recent research has highlighted that while 58% of medium sized firms have an identified budget for management development, this reduces to 48% for small firms and 32% for micro firms surveyed (EGFN, 2020).

2.3 The significance of size

The majority of research conducted in areas related to HR has focused on large firms (Harney and Alkhalaf, 2021; McClean and Collins, 2019). An increasing recognition of the fundamentally different factors that affect HR considerations in smaller firms has led to the emergence of a body of work on HR practice relevant to SMEs. Accordingly, Kitching and Marlow conclude that the normative model of HR, drawn primarily from a large firm environment "does not accord well with what we know of the prevailing management model within most small firms" (2013:29).

It has been long-established that SMEs display significant differences when compared to large businesses and are noted to suffer from relative resource poverty as a result of the variation in size (Welsh and White, 1981). As a result, this class of business is considered

more vulnerable to the effects of external factors. Combined with this, SMEs are impacted further by the liability of smallness (Cardon and Stevens, 2004; Harney and Alkhalaf, 2021) which results in additional operational challenges. Notably, from an economic perspective the productivity growth of Irish SMEs does not keep pace with larger firms (OECD, 2019). This may reflect the fact that smaller firms tend to be labour intensive so that the additional value added by each individual employee is more transparent and telling. Indeed, sound management of employees can be a critical factor determining the survival and growth of smaller firms (Barrett and Mayson, 2008).

In the context of HR, limited resources such as the absence of a formal HR Manager or specialist (Heneman et al., 2000) means that responsibility for HR typically falls to the CEO or other senior manager as an add-on to their existing professional remit (Heilman et al., 2018; Klaas et al., 2012). While various sized SMEs are identified as having different HR pressures and a variety of resources available to address such issues (Antcliff et al., 2020; Wu et al., 2015), the owner-manager is key in choosing how to apply the available resources (Kroon et al., 2013). As a result SMEs typically have fewer formal HR practices (Antcliff et al., 2020; Harney and Alkhalaf, 2021). Moreover, existing SME literature has suggested that links between resource poverty and the more limited uptake of High Performance Work Practices (HPWPs) in small firms are due to both cost implications (Sels et al., 2006) and the time consuming nature of HPWP implementation (Jack et al., 2006). Taken together, these combined characteristics reinforce the need to conduct specific research on the implications for HRM in SMEs.

While size is a factor worthy of consideration in this domain, it has been unduly emphasised as the single factor of differentiation in the majority of early research studies undertaken. Atkinson supports the position that viewing the employment relationships of smaller firms purely in the context of size is overly simplistic and fails to "adequately reflect the complexities of the relationships under consideration" (2008:462). More recently Nolan and Garavan (2016) have also cautioned against the size determinism which still prevails in research.

Earlier literature in the area suggested that low levels of industrial action within SMEs resulted from the more harmonious and flexible working conditions to be found in this sector (Wilkinson, 1999). However, such generalisations of the sector have increasingly been challenged (Raby and Gilman, 2012). Contributors caution against the overly simplistic use

of the "small is beautiful" and "bleak house" stereotypes which gloss over the diversity of SMEs, and their experiences (Harney and Dundon, 2006). According to Wilkinson, "the danger of many SME definitions is the assumption that there is a homogeneous small firms sector and all firms within it have similar characteristics" (1999:207), a view that has been echoed again more recently by Lai et al., (2017).

Moving on from the polarised debates alluded to above, SMEs are increasingly being recognised as "complex, varied and influenced by a range of factors" (Kotey and Slade, 2005:16). Literature in the area speaks increasingly to both the complexity of the sector and the heterogeneity that becomes apparent when one recognises the key role of contextual factors. Harney and Dundon refer to the "complex interplay of external structural factors and internal dynamics" (2006:67) that shape HR in SMEs. Many factors, of which size is but one, are likely to impact on the organisation's performance and there is a need to identify features associated with the sector, structures, practices, and values which may have a significant influence on the performance outcomes of the firm. Work completed by Drummond and Stone highlights the significance of "organisational culture, shared values and cultural norms of behaviour" (2007:204) in understanding the manner in which HR practice operates in small firm environments, while Tsai et al., emphasise that "relations in small firms continue to be characterised by traditional personal relationships" (2007:1780). The recognised complexity of SMEs suggests that sector may be equally, if not more important than size when considering HR practice in smaller firms (Marlow, 2006; Ram and Edwards, 2003; Tracey, 2014; Tsai et al., 2007). This was acknowledged in much earlier work (Curran and Stanworth, 1981) but has been lost with a focus on multi-sector studies (Harney and Dundon, 2006; Gilman et al., 2015) and the dominance of aggregate level survey research (Bacon and Hoque, 2005). For exceptions on both counts see Tsai et al., (2007). It is therefore overly simplistic to treat the SME sector as one which will benefit from the same prescription as may apply in large firms, or indeed as may be presumed to apply unilaterally across the sector. Recent calls for a more nuanced approach in research highlight that if our understanding of HR practices in the SME domain is to be advanced, contextual factors such as sector must be appropriately recognized and accommodated (Allen et al., 2013). Accepting that size is not the only relevant determinant of HR practice, it nevertheless remains relevant and is among a number of factors linked with achieving a contextual understanding of HR in SMEs.

2.4 Nature of HRM: performance and context

2.4.1 HRM: scope and substance

As per Boselie et al., "the study of HRM is, in its broadest sense, concerned with the selections that organizations make from the myriad policies, practices, and structures for managing employees" (2005:67). This is similar to the foundational definitions by Beer et al., with HRM understood as involving "all management decisions and actions that affect the nature of the relationship between the organization and its employees – its human resources" (1984:1). Beyond such broad definitions there is merit in clarifying the elements within the HR system.

There is a broad consensus in the literature that HR systems comprise policies, practices and processes (Kepes and Delery, 2007; Monks et al., 2013; Schuler, 1992). The system aspect is further emphasised by Lepak et al., who note this as representing "a set of practices that are espoused to be internally consistent and reinforcing to achieve some overarching results" (2006:221). HRM policies have been defined as "statements of the organization's intent, serving to direct and partially constrain the behaviour of employees and their relationship to the employer" (Jackson et al. 2014:3). Following Kepes and Delery, HR practices 'identify broad HRM activities and techniques to ensure the actual implementation of the HRM policies' (2007:390). While HR processes have been viewed as denoting 'detailed explanations of how the HRM practices are executed', it is also suggested that they 'more directly affect employees, their behaviours and attitudes than do policies' (Kepes and Delery, 2007:390-391).

Understanding HR as system is certainly useful and reflects the inter-related nature of HR more naturally evidenced in a smaller firm context (Cardon and Stevens, 2004; Allen et al., 2013). Importantly within this research the use of the term *HR practice* should be distinguished from the term *HR practices*, with the former intended to denote the overall approach to HR within these firms, whether or not such practice is seen to derive from a formal or written policy, practice or process. This is intended to be distinct from the term HR practices which is used (in this research) to reflect the existence of specific and intended activities usually associated with key functional areas of HRM. This understanding moves towards an approach which is more inclusive and accommodating of SME characteristics as opposed to a narrow focus on formality or the existence or not of a policy.

2.4.2 HRM: people and performance

The distinct emphasis on human capital is a continuing trend in the HRM research literature since the 1980s, as people are increasingly considered to be a potential source of competitive advantage to the firm and not simply a cost as may traditionally have been assumed (Jackson et al., 2014). HR practice plays a large part in defining the employment relationship and, as such, it is perceived to be closely connected to the performance outcomes of the firm. Recent literature relating to HR practices has given significant attention to the topic of High Performance Work Systems (HPWS) as a means to achieving increased organizational performance (Boon et al., 2019; Combs et al., 2006). The emergence of a stream of literature relating to high performance, high commitment or high involvement practices reflects a systems theory perspective by advancing the merit of examining practices jointly rather than separately (Boon et al., 2019).

However, given the limited consistency in terms of the practices included in the HPWS bundle, it appears difficult to systematically compare the output of HPWS literature. Indeed Kroon et al., go so far as to question what the "celebrated HPWP bundle actually is" (2013:73**).** Definitional difficulties aside, explicating the link between HR Practices and improved firm performance is a central tenet of much recent literature. The widely accepted Ability, Motivation and Opportunity (AMO) model of performance (Huselid, 1995; Boxall and Macky, 2009), representing a sub-bundle of HR practices (Boon et al., 2019) provides the basis for a stream of literature seeking to explicate the underpinning relationship between practices and performance (Jiang et al., 2012).

A separate stream of empirical work in the general HR literature has concentrated on the link between individual HR practices and performance (Guthrie et al., 2009; Huselid, 1995; Liu et al., 2007; Subramony, 2009). The work of Liu et al., (2007) advances the question of the value added nature of HRM. By undertaking a meta-analysis of 92 studies of the HRM–performance link, they assess the benefits of 13 separate HRM practices and conclude that 10 of these can be shown to be performance enhancing based on the available evidence. They provide further support for the idea that the performance benefit increases when these practices are combined into HR systems rather than implemented as individual practices.

Much work in this area emphasises the existence of HR practices within the firms studied and does not give adequate attention to the coverage of all employees by such policies, thereby providing a picture of the existence rather than the depth of use of such practices.

Notably, the work of Lepak and Snell (2002) shows that where commitment-based practices are used, their scope is limited to knowledge-based employees. Guest (2011) concurs that there are limitations to research based purely on the presence of HR practices, and acknowledges that such research fails to recognise the importance of implementation or indeed the effectiveness of these practices. This adds to concerns about approaches which imply that the net effect of practices may be additive (Boon et al., 2019; Chadwick, 2010). Moreover, increased attention is being focused on the potential gap between actual and espoused practices (Khilji and Wang, 2006), with the role of immediate managers being viewed as critical "in enacting, modifying or obstructing HR practices" (Bratton and Gold, 2012:96). This view is also echoed by Wright and Nishii (2007). Indeed the managerial role is specifically highlighted in recent work on employee voice where the focus has turned to consider topics such as the managerial silencing of employee voice (Donaghey et al., 2019). Taken together these findings provide further support for the benefits of including the perceptions of both the employees and the managers of the HR practices in operation. They also point to the significance of context for advancing understanding.

2.4.3 The link to performance in smaller firms

Empirical studies related to SMEs have provided some contested evidence of the link between various HR practices and performance (Forth and Bryson, 2019; Lai et al., 2017; Lopez et al., 2019; Sheehan, 2014: Wu et al., 2015). In the work contributed by Drummond and Stone (2007), which is based on a sample of SME companies drawn from *The Sunday Times* list of the UK's best small companies to work for, the authors note the significance of the owner's philosophy and values in the operation of the business. Furthermore, the results demonstrate that few of the companies studied set out "to purposively construct HPWS [High Performance Work Systems] or to deliberately implement an externally defined set of practices but instead these have "evolved progressively" in line with changes occurring in the firm's environment. This raises a question around the systematic nature of HPWS in the context of SMEs and leads to a consideration of the factors that may help to achieve such a coherence.

To commence with the assumption that some defined bundles of HR practices, albeit used successfully in larger organisations, will transfer to a small firm environment is oversimplifying the matter (Kroon et al., 2013). Even successful transfer between smaller

but similar sized organisations is refuted by Drummond and Stone (2007). Support for this view (reflecting the general HR literature) comes from Combs et al., (2006) and also from Lepak and Snell (2002) who assert that it is "too simplistic to presume that a single optimal set of HR practices is ideal, or utilized, in all situations" (2002:539), thus providing further support for the view that context matters.

Significant interest in HR practices primarily reflects a desire to explicate the link from the HR practices in place to a firm's performance. However, the means by which HR practices are adopted is a critical component in understanding the complexity of the relationship under investigation here. If it is accurate that HPWS in small firms develop organically as suggested by Drummond and Stone (2007), and that HR practices adopted by smaller organisations reflect both a response to presenting issues and the response of the entrepreneur, (Kroon et al., 2013; Cassell et al., 2002) then the focus of interest should centre more upon the owner-manager/entrepreneur who drives these choices. It is clear that different bundles of HR practices can be found in small firms operating within the same sector and with similar external influences (Gilman and Edwards, 2008). On first analysis, it may seem that the adoption of these distinct bundles of HR practices is less strategic and more a piecemeal response by smaller companies. However, given that the entrepreneur is primarily "responsible for most of the decisions relating to HRM" (Kroon et al., 2013:75) the role of the owner-manager should not be overlooked. They also note that it is the strategic choice of the owner-manager that influences which investments in an AMO system are given priority. This is also evident in studies by Baron and Hannan (2002) on high-technology start-ups. Indeed, Sheehan (2014) argues that vertical integration is likely between strategy and HR practices in smaller firms partly as a result of the owner-manager. Rather than follow traditional avenues of exploring performance impacts of HR practices it is therefore important to better appreciate the contextual factors shaping HR practices in smaller firms.

2.5 The debate concerning informality versus formality

Following from Nguyen and Bryant (2004) and Lai et al., (2017) formal HR may be defined as "the extent to which HR policies and practices are documented, systemised, institutionalised and integrated into the firm" (2017:472). In reviewing existing literature relating to formality in SMEs, it may be seen to focus on two broad streams, (i) the existence

of formal versus informal HR practice, often accompanied by some exploration of the underpinning reasons, and (ii) an exploration of the impact of formality within an SME context.

2.5.1 Existence of formal HR

Firstly, considering the existence of formal HR, credible evidence shows that SMEs are less likely to use formal management practices (Bacon et al., 1996; Bacon and Hoque, 2005; De Grip and Sieben, 2009; DeKok et al., 2006; Forth and Bryson, 2019). But the debate around formality presented in the literature is strongly linked to, and deriving from, size. While there is reasonable consensus that informality typically dominates in the small business sector (Marlow et al., 2010), a body of literature suggests that business growth and lifecycle stage may explain an increasing reliance on formal HR practices (Chandler and McEvoy, 2000; Doherty and Norton, 2014; Gilman and Edwards, 2008; Kotey and Slade, 2005). As firms grow there is a move from informality to formality (Marlow, 2006; Storey et al., 2010) with a view that this leads to less flexible forms of organisation (Idson, 1990). Indeed, Kitching and Marlow (2013) conclude that formality may not actually or automatically benefit smaller firms (see also Bryson and White, 2019).

In their investigation of the role of informality in medium-sized companies, Marlow et al., (2010) contest that approaches underpinned by informality and formality coexist within these companies; with similar findings echoed also in the work of Atkinson et al., (2016). In the sample of organisations used by Marlow et al., where each firm had grown from small to medium in size in the previous two years "difficulties in sustaining informality" were noted (2010:959). It was clear that attempts to achieve greater formality were not always embedded within the organisation or adhered to by employees. These findings build on Ram's work, which identified informality within SMEs as being a "dynamic rather than a fixed characteristic" and "highly context specific" Ram et al., (2001:846) e.g. the manner in which informality adjusted in light of regulatory developments in the market. Despite a disposition to adopt more formal practices as a firm grows, work by Drummond and Stone (2007) concludes that formality is not a prerequisite to successful firm performance. Notably, the lack of conformity with formal best practice did not detract from the achievement of positive outcomes. Overall, the evidence in SMEs confirms that formal and informal approaches co-exist; that this may be emergent rather than planned is not the key issue.

Existing literature has provided some degree of explanation for the lack of formality of HR in SMEs, including the smallness of the business with the consequence that resources, encompassing professional HR input, are more limited and possibly deemed unnecessary in a smaller firm setting (Nolan and Garavan, 2016). Additionally, smaller firms often being family owned and managed have previously been found to be less likely to have formal HR practices in place when compared to non-family firms (Cater et al., 2019; deKok et al., 2006; Hornsby and Kuratko, 2003; Pittino et al., 2016). Some context for this finding is offered by Veider and. Matzler, (2016) when they note that family firms are often subject to fewer bureaucratic controls, including less external accountability. Such enterprises are also frequently noted to adopt a longer term perspective.

The skill mix of the workforce (or sector) has also been identified as relevant to the emphasis and investment in HR. In line with the work of Bacon and Hoque (2005), Edwards et al., assert that "SMEs employing a high proportion of skilled labour were much more likely to invest in HRM than employees with low-skilled workers" (2006:718). External context is relevant also and may prevail over managerial agency in some circumstances. In particular, the increased legal and regulatory influences of both national government and the EU has contributed to pressures for a greater degree of formality in HR practices within SMEs (Sheehan, 2014). Beyond legal requirements, environmental norms were noted by Nguyen and Bryant (2004) in the case of Vietnamese workers, where increased formality was seen to provide a more attractive and transparent offering for employees. External influences in the form of membership of employer networks were shown also to be typically associated with more extensive use of management practices (Forth and Bryson, 2019; Wu et al., 2013).

Overall, the complexity inherent in managing the employment relationship is summed up in the words of Harney and Dundon "HRM in SMEs is not a seamless garment but rather a quilt composed of a distinct mix of policies and practices, in some cases uneven and contradictory, imbued with varying levels of formality and informality, each reflecting the unique context from which they emerged" (2006:69).

2.5.2 Impact of formal HR practices

Moving to the matter of the impact of formal practices, it is noteworthy that scholarship on the performance benefits of HRM practices has been somewhat equivocal (Forth and Bryson, 2019). Marlow et al., (2010) assert that despite a predisposition to adopt formal and more sophisticated practices in larger organisations, it is increasingly recognised that informality

may be an advantage in smaller organisations, thereby challenging "the notion that small firms must, should or inevitably do move from informality to formality" (2010:954). This echoes early research on new management practices which suggested that informality may form a competitive advantage for small firms (Bacon et al., 1996). The smaller organisation may be better able to adapt to changing requirements and may even gain a potential source of competitive advantage from the informality of practices in use. Additionally, it has been noted that the cost of implementing formalised practices has the potential to reduce productivity gains (Sels et al., 2006). However, more recent literature notes a contrary view, asserting positive associations between formal practices and performance in SMEs (Forth and Bryson, 2019; Lai et al., 2017; Sheehan, 2014).

There is evidence that both employers and employees in small firms value informality, but Gilman and Edwards (2008) recognise that treating informality as a necessarily positive influence and formality as automatically negative is an oversimplification. Firms perceive that informality offers benefits and the tension that exists between formality and informality increases with growth **(**Mallet and Wapshott, 2014). Gilman and Edwards, 2008 (in line with the work by Nadin and Cassell, (2007) recognise that a lack of formality is not a panacea for the small firm either.

Indeed, it is also important to acknowledge that the mere existence of formality does not mean that HR practices are implemented as written. Notably, in an SME environment structures may look more sophisticated on paper than in practice (Gilman and Edwards, 2008). Moreover, the difference between intended and enacted practices is an established theme within HRM literature (Franco-Santos and Otley, 2018; Gill et al., 2018).

Interest in the relationship between a firm's size and job satisfaction amongst the workforce has been the subject of investigation for some time. Following Curran and Stanworth (1981), Tsai et al., (2007) note that firm size alone is not a key factor in explaining differences in levels of job satisfaction. From their multi-sector study of SMEs in the UK, Tsai et al., conclude that "*between* these small firms, then, formality did not worsen work relationships overall" (2007:1803). Similarly**,** Saridakis et al., (2012) in investigating formal HR practices in SMEs find support for the view that employees in small organisations are more committed than in large enterprises and that commitment is found to be higher in organisations with high employee satisfaction. They identified a strong positive association between HRM formality and organisational commitment within single site SMEs with low employee job

satisfaction but noted a negligible relationship where employee satisfaction is high. These findings are echoed in the work of Lai et al., (2017) when they conclude that certain HR policies and practices may improve small firm performance, especially where there are low levels of employee commitment and satisfaction.

Storey et al., (2010) studied the link between HR formality and employee job quality in the context of firm and workplace size. Taking a much needed employee perspective, they measure self-reported job quality and provide evidence to show that small workplaces had the lowest formality of those studied. The authors show that self-reported job quality is shown to be significantly higher in smaller firms with single site workplaces than in similar-sized workplaces which are multi-site, and that there is a general decreasing trend in self-reported job quality in SMEs as workplace size increases.

In summary, it is important to recognize and accommodate the dynamics of formality and informality in the context of small firms (Ram, 1991). Tsai et al., note that "small firms are often urged to become more like large ones in terms of the formalization of their procedures" (2007:1780) but, similar to the conclusion of contributors such as Storey et al., (2010) and Heilmann et al., (2018), they caution that this may be an unwise prescription.

2.6 The influence of family

Research into family business is still an emerging field (Diaz-Moriana et al., 2019). While it has become increasingly more established as a separate area of study over recent decades (Neubaum, 2018), Memili and Dibrell (2019) note that as a meta discipline it may still be considered as in "the early growth stage" (2019:9). Evidence of the accompanying definitional complexity is highlighted by Diaz-Moriana et al., (2019) when they identify 82 alternative definitions of family business. For the purposes of this thesis, a family business may be defined as "a business that is family-owned, family managed and has transgenerational intent" (Daspit et al., 2018).

Given that family firms are recognised as the most common organisational form (Andersson et al, 2017; Waldkirch, 2018) and, according to the DCU Centre for Family Business, they account for 64% of all businesses in Ireland (DCU, 2020), it is clear that consideration of

HR practice in SMEs is likely to have significant crossover with the family firm literature.[3] The unique circumstances within the family firms' arena include the potential competitive advantage arising from family involvement e.g. organisational social capital (Sirmon and Hitt, 2003) and survivability capital Habbershon and Williams (1999). Conditions such as these have been noted by Leana and Van Buren (1999) to influence the HR practices of the firm and to impact on how employees are treated (Combs et al., 2018). Despite this, specific studies focusing on HR practice in family firms have been noted by Pittino et al., to be "rather scarce and fragmented" (2016:75) and provide inadequate insight into "the inherent multilevel and complex nature of family businesses" (Payne 2018:169).

Considerable attention has been devoted to identifying differences between the family and non-family firm (Combs et al., 2018; Saridakis et al., 2018), with earlier literature tending to presume some degree of a homogenous family firm sector. However, more recent contributions in the area of family firms have increasingly acknowledged the heterogeneity that exists (Chua et al., 2012; Diaz-Moriana et al., 2019; Moores et al., 2019). This leads to an approach which favours consideration of family from a resource based view, with writers such as Mallet and Wapshott pointing to the "influence of family acting as both resource and constraint" (2017:725). Indeed, it is not only clear that family firms have access to different resources, but there is also an acceptance that they differ in how these resources are leveraged/used (Odom et al, 2019). Specific and impacting differences have been noted in terms of family firms' goals, risk taking, and behaviour. The potential linkages for HR are presented below.

Within the extant literature, the involvement of family has been associated with different goals and values (Gomez-Mejia et al., 2007; Kotlar and De Massis 2013; McAdam et al., 2020). Gomez-Mejia et al., in their influential article in 2007, conclude that family owners place a higher premium on noneconomic benefits as compared to economic benefits arising from the firm. Similarly, Odom et al., (2019**)** note that family firms show an increased likelihood of responding to stakeholder pressures that may contribute to the image and legitimacy of the family enterprise, but a decreased likelihood of responding to pressures which are perceived to be in conflict with the family goals (see also Melin and Nordvquist, 2007). Notably, socioemotional wealth (SEW), which may be defined as the "non-financial

[3] 8% of Irish family businesses are classified as a Small and Medium-sized Enterprise (employing between 10 and 249 people). While this represents about 12,300 SME family businesses, these account for just over 40% of all employees in family businesses in Ireland (DCU Centre for Family Business, 2020).

aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty" (Gómez-Mejía et al., 2007:106), is widely noted as a recurring element within family business goals (Gómez-Mejía et al., 2007). Significantly, the socioemotional wealth objectives in family firms (such as continued family involvement and control) are acknowledged to shape the HR strategy and the HR practice implemented (Hedberg and Luchak, 2018).

The existence of family-centred non-economic (FCNE) goals in family firms reflects different approaches to risk taking (Pongelli et al., 2019). While there is a broad literature confirming that family firms are more likely to be risk averse in their decisions, Gómez-Majia et al., (2007) differentiate between the impact of different types of risk. Despite the likelihood that family firms typically represent an undiversified asset for their owners, the authors clarify that such firms are more likely to accept risk in relation to lower performance returns in order to avoid diminution of socioemotional wealth (SEW), whereas they may continue to be risk averse in relation to business continuity issues.

Other behaviours noted in the context of family firms include, for example, bifurcation bias which refers to the situation where "family-member employees are treated differently from non-family employees" (Combs et al., 2018:2). This influence has been highlighted by Daspit et al., (2018) as affecting the HR practices in place in family firms. Taken together with a tendency for nepotism in family firms (Firfiray et al., 2018), the supply of human capital, and its management thereafter, is likely to be impacted. The combination of both communal and exchange relationships in evidence, as noted by Gagné et al., (2014) provides some degree of explanation for the decisions that follow. Moreover, family firms are often embedded in society. For example, (drawing on both the SME and family firm literature) it is possible that smaller family firms operating in local environments may be more strongly committed to maintaining firm image and values rather than simply maximising economic returns. Arising from the additional societal role and community networks of such firms, it follows that different reference points may guide the decision-making processes, including those that are reflected in the HR practice adopted in such settings. Consequently, it is certainly plausible that the resulting HR practice in these settings may be more employee centred as compared to those in larger group-owned enterprises.

In summary, there are differences both *between* and *within* family firms (Combs et al., 2018; Moores et al., 2019). These distinctions contribute to an alternative shaping of HR practice

with a focus on family influence as an antecedent to HR already established in the literature (Combs et al., 2018; Daspit et al., 2018; Hedberg and Luchak, 2018). Recognition exists also that family firm behaviour and performance needs to be understood in context (Wright et al., 2014; Payne, 2018). While rationality of decision making cannot be presumed in any business situation, the choices made and the resulting outcomes for HR in family firms (which are often underpinned by FCNE goals and notably loss averse in terms of SEW) must be factored in if an enlightened understanding of the reality of HR practice in these smaller firm environments is to be achieved.

2.7 The importance of contextual factors

At the heart of strategic human resource management (SHRM) should be an acceptance that "firms do not operate in a vacuum" (Farndale and Paauwe, 2018:203). The authors proceed to lament the lack of progress in capturing contextual issues in HRM research. Similar contributions are made by Jackson et al., (2014) who posit that, despite the strongly contextualised nature of strategic HRM, it remains the case that insufficient attention is given to external environmental influences. The result is that contextual characteristics frequently are treated as no more than control variables (Harney and Collings, 2021). Within the SME arena, Marlow (2006) further contends that context is critical if understanding is to be advanced, while Barrett and Rainnie bemoan "the partial dislocation of the small firm from its totality" (2002:416). Despite these earlier signals for a more integrated approach to examining HR in SMEs, recent calls continue for "reinserting context more firmly in the study of HRM phenomena" (Cooke, 2018:2).

Compounding the challenges of sensitively accommodating context within HRM research, the fact remains that a significant proportion of literature relating to HRM emanates from the US, where quantitative approaches dominate. This reduces the likelihood that contextual issues are embedded in research findings. Over the past two decades, UK literature has provided an increasing (and welcome) stream of research focused on HR in the SME environment, with Workplace Employment Relations Survey (WERS) data providing the basis of a considerable amount of UK findings (e.g. Bacon and Hoque, 2005; Bryson and White, 2019; Forth and Bryson, 2019; Lai et al., 2017; Storey et al., 2010; Wu et al., 2013). Undoubtedly data from this source have made a significant contribution to the advancement of knowledge, but a heavy reliance on survey approaches has privileged the role of

quantitative data without adequate consideration of context: reflecting the view of Johns that it is "not easy to control away context" (2017:587).

More specifically in a services context, Tracey (2014) in his review of HRM research in hospitality over the 10-year period from 2004-2014, recognises that a "one-size-fits-all" approach is not appropriate, and makes a case for further research into the "contextual factors that may mitigate or enhance the impact and relevance of HR systems and the component practices" in the sector (2014:691). He also suggests that the "ways in which HR systems and practices can be adapted in response to the dynamic nature of hospitality settings" is an area worthy of further consideration. This call is echoed by Kandampully et al., when they refer to the "importance of the service context" (2014:289).

Recognising that size and sector are clearly *part* of the relevant context of SMEs (Tsai, 2010) provides a basis for achieving increased understanding. Contributors such as Edwards and Ram (2003) have highlighted specific contextual factors such as product, labour market, and resources. Additionally, factors such as family involvement, ethnicity and location have merited attention. Existing research completed in small family firms shows that the manner in which work is organised can be impacted by the existing social relationships in operation while the ethnicity of small businesses owners may bring individual challenges and engender particular cultural considerations (Ram, 1991). Equally, research based on other locales may lack transferability to significantly different geographic locations. This reflects the view of Madera et al., in the context of hospitality and tourism research, who suggest that "the strategic role of HRM varies across countries and that the national culture, legal and economic contexts of a country influence the role of HRM on firm performance" (2017:60).

The somewhat secondary treatment of context in much of the SME literature has potentially slowed progress in HRM research generally (Cooke, 2018). This has occurred due to a prevailing presumption of homogeneity in SMEs in circumstances where research data were predisposed to size as the main contextual variable. Additionally, a continuing tendency to compare quantitative research output, despite the absence of context-enhanced meaning, has only served to muddy the waters. Moving beyond these approaches, it is clear that an understanding of complex and interlinking issues within the HR arena in general, and within SMEs specifically, is likely to be enhanced greatly and increasingly credible if research endeavours are sensitive to contextual factors. This thesis seeks to respond to the call of Johns that context "should be incorporated more mindfully" (2017:577) into research

endeavours. In setting out on this path it is clear that more than a perfunctory nod to context is required.

2.8 Services: Definition, diversity and distinguishing characteristics

2.8.1 Definition and diversity in services

The well-established characteristics of intangibility, heterogeneity, inseparability of production and consumption and perishability (IHIP) are traditionally referred to as providing the points of distinction between services and manufacturing (Bowen, 2016, Wirtz and Lovelock, 2016). However, the overlap between services and manufacturing often presents a challenge to a tightly constructed definition, with many manufacturing industries incorporating some service elements, while many service industries incorporate elements of tangibility within their offering. The challenge is recognised by Kandampully et al., when they assert "there does not yet exist a commonly accepted simple definition of service" (2014:288). They follow Edvardsson et al., (2005) in reasoning that the difficulty in providing a definition arises "because services are as different from each other as products are from each other" (2014:288).

Despite the challenges arising from the recognised diversity in services, some well-utilised definitions are provided within services literature. Wirtz and Lovelock provide a definition of services as "economic activities offered by one party to another. Often time-based, performances bring about desired results to recipients, objects, or other assets for which purchasers have responsibility. In exchange for money, time, and effort, service customers expect value from access to goods, labour, professional skills, facilities, networks, and systems" (2016:6). Moving on from the IHIP paradigm, Vargo and Lusch take a process perspective in providing a definition of services as "the application of specialized competence (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself" (2004:2). Inherent in the above definitions is the people element of the service provider in bringing about the desired results and in providing the value expected by the customer. Consequently the role of HR practices in achieving desired outcomes together with the significance of the customer as a key stakeholder are likely to form core and interconnected pillars in understanding the dynamics within a services setting.

2.8.2 Distinguishing characteristics

It should be acknowledged that, within what may be classified broadly as the services sector there lies a myriad of diverse activities and occupations, many of which share certain broad characteristics and present common challenges. In parallel with work to provide definitional clarity, various classifications of services have also been provided, including Leidner's (1993) contribution which relies on the degree to which the service interaction is separable from the product as the basis of her three main types of interactive service work. More recently, Lovelock and Wirtz provide a process perspective, resulting in a fourfold classification based on: people-processing services where people become part of the production process; possession-processing services which involve doing something to physical products; mental stimulus-processing services; and information-processing services, with the latter two categories often being combined under the term "information-based services" (2011:43). Kandampully et al., (2014) follow Edvardsson et al., (2005) in arguing that "the study of service is more about perspective – customer, employee, firm, or researchers (2014:288), while also endorsing Moeller's approach of a "facilities-transformation-usage" (FTU) framework as a more practical and context-sensitive means to an understanding of "service-as-practice" (2008:288). At a minimum, these contributions assist our understanding of the elements of service provision that make this field a unique area of study.

The level of customer interaction is a further point of differentiation within different service sectors, and something of particular relevance to this current research. Certain services require only relatively brief face-to-face interactions (as in the case of many retail environments), while others (e.g. caring or hospitality sectors) support repeated interactions with the same client or customer. In this context, it is useful to acknowledge the difference between what is known as a *service encounter* or a *service experience*. In the marketing literature a service encounter which is essentially a discrete interaction between firm and customer, is distinguished from a service experience which reflects an interaction of a continuous nature (Bitner and Wang, 2014).

It is clear that many different types of services exist and their specific contexts matter (Kandampully et al., 2014) if we are to achieve a fuller understanding of the issues at play. Even within broad sectoral groupings of services (e.g. professional services) research results may differ. The work of Malhotra and Morris (2009) provides an example highlighting the

resulting implications for organizational form, team-working and pricing systems due to heterogeneity in three distinct areas within the professional services sector. In contrast, Tsai (2010) provides evidence of a greater homogeneity in existence within his study of the HR practices in operation in a sample of 12 large and 12 SME high-tech design firms. In doing so, he provides support for new institutional theory (DiMaggio and Powell, 1983). Attempting to reconcile the results of these empirical studies could draw attention to the fact that not all professional service firms are alike, and the use of such entities from three distinct sectors in Malhotra and Morris' (2009) work may simply highlight the potential importance of the sectoral context. Consequently, there is a need for research into services firms within specific sectors, which takes account of the contextual factors within which these firms operate and allows the nuances of specific contexts to be identified. Tsai's (2010) study concentrates on knowledge-intensive workers, and recognising that the findings have more applicability in that sector, he calls for more research into SMEs in other industries.

Moving beyond the definitional challenges of services, it is clear that adopting manufacturing principles within a services environment may prove problematic at many levels. In particular, attempting to achieve increased efficiency in services that are high customer contact is challenging. The "speed-up" which Hochschild (2012:125) notes as requiring the worker to deliver more in a shorter time, has the potential to lead to a failure in meeting customer expectations, in addition to contributing to worker detachment. Additionally, it is recognised that providing a consistent level of quality in services may present greater challenges than in a manufacturing environment. Due to the human interaction of those providing services, it is likely that the variability in service quality will be greater, with the potential for mistakes also increased. Therefore, it may be concluded that maintaining and adjusting the service is embedded in the role of frontline employees in a services setting.

2.8.3 The contributing role of management to HR practice in service sector SMEs

In considering the existence and nature of HR practice within the smaller firm, it has been recognised that managers have a role in "creating, maintaining and re-creating their practices" (Georges et al., 2012). The reality of the smaller firm environment means that "CEOs are more directly involved in the day-to-day operations of the firm" (McClean and Collins, 2019:198). Evidence from Drummond and Stone (2007) suggests that the owner-

manager in a small company underpins the philosophy and values that are replicated in the business; a view echoed by Georges et al., (2012). Within a services environment, these values may become even more important as they permeate the service provided and are visible to the customer in their interactions with the company. Any study of HR practices in a smaller firm context, therefore, must be sensitive to the potential role of the owner-manager in establishing and maintaining the practices within the firm.

The significance of the influence of the founder has been the subject of previous research (Baron and Hannan 2002; Georges et al., 2012; Ho et al., 2010; Kroon et al., 2013). It is recognised that the employment model established in the early stages of a firm's development tends to have an impact on outcomes at later stages. Moreover, it is noted that certain structures and factors impacting on decision making are locked in by those early employment models (Georges et al., 2012; Wu, 2020). Attempts to change the organizational blueprint have been found to be destabilising for the firm (Baron and Hannan, 2002). Research has shown that the impact of the founder's blueprint "may endure long after the founder has left the firm" (Georges et al., 2012:572**)**. It is clear that the management style of the owner forms part of that blueprint, acting as a signature which is imprinted on the organisation. Furthermore, the notion of strong path dependence is supported by Georges et al., and they note that "these observations appear to be particularly relevant for organizations that thrive on human talent and resources as the main asset in determining competitive performance" (2012:569). Considering the characteristics of services outlined above, these influences are likely to be strongly identified in services settings.

Evidence outlined earlier in this chapter in the context of larger firms speaks of greater formality in terms of the implementation of HR and a wider range of managers responsible for policy implementation. In contrast, and reflecting a resource poverty perspective (Kroon et al., 2013; Welsh and White, 1981), the small firm may not have a specialist HR manager and, therefore, decisions relating to HR are likely to remain under the control of the owner-manager until a certain size is reached. Broad support is provided in the literature for the importance of the managing director's ideology as a driver of HR practice (Drummond and Stone, 2007), given that the role typically involves acting as HR champion in an SME environment (Doherty and Norton, 2014). Similar themes have been identified in both family literature (Hedberg and Luchak, 2018) and in hospitality literature (Martin, 2012). Moreover, it has been noted in an SME environment that the closeness of the owner and employees

achieved through regular interpersonal interactions is seen to reduce the need for formalised processes (De Grip and Sieben, 2009; Kroon et al., 2013). As a result of the lack of formality in HR practice in SMEs **(**Edwards and Ram, 2010) there is potential for idiosyncratic responses to HR issues that may arise (Harney and Dundon, 2006), with further potential for bifurcation bias arising where family owning interests are involved. Given the impact of scale, and the combined factors identified above, the role and influence of the owner-manager comes into sharper focus in the smaller firm.

In summary, there is a long established view that services merit specific attention due to its unique characteristics (Korczynski, 2002). An increasingly established volume of services research over the past three decades provides further evidence of this. Moving beyond an earlier tendency towards multi-sector studies in HRM, the focus of this current study, centred on hospitality, affords an opportunity to engage with the highly interactive service environment of hotels, where elements of people-processing and possession-processing services are combined (Lovelock and Wirtz, 2011). Moreover, the characteristics of the hospitality sector provide potential to examine the impact of HR practice as an element within a service experience, rather than as a more limited service encounter.

Blended together with the acknowledgement of service characteristics it is apparent that the influence of the owner-manager is potentially of great significance to HRM in SMEs and no less so in a services environment. A qualitative approach to investigating the nature of HR in SME services firms specifically is likely to add to existing insights into the variation in the small firms' approach to HRM practice and the consequent outcomes for the firm. Such an approach has the potential to provide explanations of the link between practice and outcomes and in this way contribute to a much sought after illumination of aspects of the "*black box*" which were hitherto unexplored. Specifically, such research responds to the call of Madera et al., (2017) who noted that "while the general strategic HRM research is beginning to focus on this "*black box*", such research is lacking in the hospitality and tourism area" (2017:61).

2.9 Hospitality – a unique services setting

Hospitality may be defined as the "act or practice of being hospitable: the reception and entertainment of guest, visitors or strangers with liberality or goodwill" (Oxford English Dictionary). It has been recognised by Kandampully et al., that "hospitality represents a particularly unique kind of service" (2014:297) which may be inadequately considered in the synthesis of the existing literature. However, writers such as Baum (2019) caution that "the hospitality industry is hugely diverse and that generalizations about the sector in terms of its workplace environment and growth opportunities are difficult to make" (2019:3831). This view is echoed by Kandampully et al., when they note that the "segment of the industry matters" (2014:289), citing clear differences between expectations of service in a fast-food outlet and a high-end luxurious hotel. Any study of HR within the broad sector of hospitality services should be mindful of this diversity.

Within the services sector, it is noted by the Hospitality Skills Oversight Group (2018) that the tourism sector adds €5 billion annually to the Irish economy. In employment terms, in early 2020 accommodation and food services in Ireland accounted for 170,000 jobs (CSO, 2020). Within Irish hospitality services, the hotel component is significant, with the Irish Hotels Federation (IHF) estimating that in 2019 over 60,000 people were employed across the hotel and guesthouse sector.

The hotel sector has traditionally been cost-competitive and the impact of the financial and economic crisis (from 2008 – 2014) further increased the focus on costs. This financial downturn impacted demand levels, with reductions in both overseas visitors and domestic demand. In the two-year period from 2007 to 2009 occupancy rates in the hotel industry in Ireland declined from a peak of 69.7% to 59.4%, and revenue per available room (RevPAR) decreased by just over 47% in the same period (Crowe Horwath, 2013). It took a further six years for the sector to return to the occupancy levels of 2007 (Crowe Horwath, 2016). This upward trend has continued consistently to 2018, with overall room occupancy reaching 75.1%. However, it should be noted that regional variations exist within this, with occupancy figures of 69% in the Midlands and East in 2018, as compared to 83.9% in the Dublin region (Crowe, 2019).

Additionally, the impact of size is seen to reflect variations in occupancy rate (see Appendix A), with hotels with 1-49 rooms showing an average of 69.3% occupancy, as compared to hotels with over 100 rooms showing 77.4% occupancy in 2018 (Crowe, 2019). The liability

of smallness is further exacerbated in this sector by the fact that large hotels derive just over 50% of revenue from rooms, whereas small hotels derive 71.8% from non-room sources, which are noted to be less profitable departments (Crowe, 2019).

Furthermore, the significant and ongoing impact of Covid-19 has severely impacted the trend in room occupancy within the sector, with predicted occupancy rates of 32% for 2020 (Crowe, 2020). This is accompanied by a strong sentiment that negative impacts will continue to be felt into 2022 (Crowe, 2020). Assuming a continuation of the trends outlined in the previous paragraph, any reversal of the impact of the pandemic (which is ongoing at the time of writing) will likely reflect a slower pace and more marginalised recovery for small hotels.

Notably, the hotel sector has traditionally suffered from low pay and high turnover of staff (Baum, 2007). Implications arise for increased recruitment and selection activity as a result, with a consequent requirement to repeatedly recruit and train new staff. An increased variability in service levels provided is also noted. This cycle of low pay, repetitive tasks, minimal training, high employee turnover and consequent customer dissatisfaction is referred to by Schlesinger and Heskett (1991) as a self-perpetuating "cycle of failure". They contend that while it may be common, it is not inevitable in services provision.

As a sector, hospitality is not immune to the increasing influence of technology. Accepting that social media use has revolutionised the way we communicate, its influence in the hospitality sector is noted to be particularly significant (Garrido-Moreno et al, 2018). Notably, numerous contributors highlight the substantial influence of social media in the consumer buying process (Anagnostopoulou et al., 2019; Kim et al., 2015; Zeng and Gerritsen, 2014; Hernandez-Ortega, 2018; Philips et al, 2015; Thakur, 2018; Tran et al 2019). Garrido-Moreno et al., note that review platforms are "one of the most important information sources in consumers' decision making" (2018:97).

While an allied stream of literature has focused on the credibility of online review ratings (Ayeh et al., 2013; Lim and Van Der Heide, 2015; Lo and Yao, 2019; Xiang et al., 2017; Zheng et al., 2021), it is nevertheless clear that such fora provide a significant reputation indicator (Baka, 2016). Garrido-Moreno et al., in their research centred on Spanish hotels further reinforce the "strategic relevance of review sites such as Tripadvisor in hospitality" (2018:103) with evidence that changes in the ratings on such platforms can be seen to impact on hotels' booking rates (Baka, 2016, Neirotti et al., 2016). Review sites provide a very

public source of feedback on both service and staffing quality and point clearly to the role of frontline employees in delivering a quality service in smaller hotels.

In summary, the multiple challenges faced by the hotel sector are significant. Taken together they focus attention on the manner in which service delivery occurs and the role of HRM in underpinning the firm's performance. In the context of service provision, and hospitality in particular, the relationship between the customer, the frontline worker and management is significantly intertwined. There is a need to understand the role of each of the players in this relationship if we are to advance understanding of the role of HR in the context of hotel services.

2.9.1 The role of the frontline worker

A unique feature within hospitality is the interactive role of the frontline worker, with many contributors (Altinay et al., 2008; Chuang and Liao, 2010; Madera et al., 2017) recognising that frontline employees represent "a crucial component of service" (Yang 2010:609). Such employees are typically required to anticipate customer needs and satisfy those needs consistently, often performing their duties under time pressure while dealing competently with service recovery issues (Gustafsson, 2009) that may arise. Frequently operating as a conduit for customer feedback, they are the first point of contact for complaints and perhaps one of a small number of employees with whom the customer directly interacts. Within an SME setting where resources are limited this is likely to be a more intense relationship, with each individual worker taking a more prominent role due to the smaller size of the operation. In many service environments, and in hospitality specifically, the employee is perceived as "part of the product" (Kusluvan et al., 2010:172). As a result, for many customers these staff members are the face of the organisation as they carry a significant responsibility for the resulting level of customer satisfaction. Despite this, Kusluvan et al., (2010) in their review of literature in the hospitality sector have highlighted that "people management practices and employment conditions of many sectors and organizations of the tourism and hospitality industry do not seem to reflect the importance of effective HRM" (2010:192).

Traditionally, service workers were employed primarily in roles that were perceived to be low skill, with little scope for autonomy and where the frontline workers' actions were often prescribed to the level of following a standardised script. Control by management was seen to be the means by which customers were provided with a consistent and quality-conscious

service. While these controls may still be in evidence in areas of mass-produced standardised services, they often prove of little value in hospitality where customer requirements are unique and variable and may require a high level of skill at the point of production/consumption. Equally, smaller hotels are likely to have flatter organizational structures and, as a result, more limited formalised controls may operate. Requirements to vary the service or provide authentic and individual customer attention in a non-standardised manner, (which is a likely feature of SME settings) suggests that a move from control to staff empowerment may be the key to continued success and customer satisfaction.

Empowerment of the frontline worker is frequently put forward as a key means to achieving service quality and a critical element of customer satisfaction. Yin et al., (2019) follow Kanter, (1977) and Lawler et al., (2001) in defining employee empowerment as encompassing "a set of progressive and advanced human resources (HR) management practices that transfer considerable decision-making rights and power from higher-level managers to lower-level employees" (2019:112). It typically enables the employee to exercise discretion in responding to customer requirements and this is usually a positive contributory factor in achieving service quality. Additionally, empowerment of frontline staff presents itself as a key element in responding to non-standardised customer situations and supplying those services requiring a high level of customer contact. Furthermore, empowering frontline staff allows them to play a vital role in service recovery. To quote Gustafsson "Service recovery is about using tools to turn a mistake into a positive and profitable situation" (2009:1220).

Accepting that the definition of empowerment provided by Yin et al., (2019) presumes a more normative HRM environment allied to a large firm setting, it follows that the means by which empowerment is facilitated in the more unique setting of SMEs poses an interesting avenue of investigation. At the heart of the definition provided by Yin et al, (2019) is the presumption of a set of progressive and advanced HR practices, and yet it is accepted within SME literature that advanced HR practices are not commonly found in smaller firms. This raises the possibility of the path to empowering employees relying on different means; strongly reinforcing the need to consider separately the nature of HR practice in SMEs.

However, there is a recognised contradiction between the concept of consumer sovereignty and true empowerment of frontline staff. Where consumer sovereignty reigns supreme, frontline employees are likely to be subservient rather than empowered. According to Hochschild "where the customer is king, unequal exchanges are normal" and "the ledger is supposedly evened by a wage" (2012:86). Achieving a balance of the competing elements of control and empowerment in the frontline setting highlights the fragile nature of the social order that is desired.

Within the hospitality sector it is recognised that "frontline employees are expected to be cheerful regardless of personal feelings or emotions" (Chu et al., 2012:907) and they are required to "display organizationally-expected emotions when interacting with customers" (Shani et al., 2014:151). The concept of emotional labour is not new, having been introduced by Hochschild in her seminal work "*The Managed Heart*" in 1983. Here, Hochschild defines emotional labour (EL) as something that requires one "to induce or suppress feelings in order to sustain the outward countenance that produces the proper state of mind in others" (2012:7). The requirement to perform emotional labour and thereby to satisfy organizational requirements in terms of the emotions displayed, is now considered an "essential and marketable component of an organization's offerings" (Van Dijk et al., 2011:39). The smile, Hochschild notes, can be "separated from its usual function, which is to express a personal feeling, and attached to another one – expressing a company feeling" (2012:127).

Hochschild highlights the challenges that exist when the management of feeling becomes a commercial activity. In particular, there is a recognition that the separation of feeling and display is identified as becoming more difficult over an extended time period. When the work environment determines the display rules, it becomes incumbent on the individual employee to alter either the display or the feeling to align with the commercial expectations. She asserts that "in private life, we are free to question the going rate of exchange and free to negotiate a new one" (2012:85), whereas "in the public world of work, it is very often part of an individual's job to accept uneven exchanges, to be treated with disrespect or anger by a client" (2012:85). Facilitating breaks away from customer-facing roles offers a potential remedy, but it is likely that this may be more difficult to achieve in an SME setting where resource poverty is a feature (Welsh and White, 1981).

The role of the frontline worker can often bring with it the stress associated with satisfying competing demands contemporaneously. Additionally, frontline workers may be required to balance the needs of the customer with the sometimes conflicting demands of management within their own organisation, thereby resulting in role conflict and role stress (Bowen and Schneider, 2014; Chung and Schneider, 2002; Schneider et al., 2020; Wirtz and Jerger, 2016). Despite this, many interactions between worker and customer move beyond what might be described as a service encounter to a more extended service experience (Bitner and Wang, 2014: Voorhees et al., 2017) and, in doing so, they reflect both an economic and a social interaction (Korczynski, 2002). Over time, these repeated social interactions between frontline worker and customer may become a source of job satisfaction leading to a form of social embeddedness, arising from "the bond that employees are able to nurture with customers" (Kandampully et al., 2014:297). This type of social embeddedness is likely to be more prominent in SMEs where fewer frontline employees take responsibility for broader work roles, typically affording more frequent and more extended opportunities for customer-employee interaction.

2.9.2 The role of the customer (and customer satisfaction)

The context within which (small) service firms operate is uniquely challenging and worthy of further investigation. Korczynski (2002) argues that it is impossible to analyse employment in services by making reference to concepts that are rooted in manufacturing emphasising that "an understanding of service work requires an understanding of the customer" (2002:95). In a services context, the customer is no longer perceived as a passive recipient of the outcome of the service process (Vargo and Lusch, 2004) with their level of participation varying depending on the nature of the service. The traditional relationship between management and employee needs to expand to a three-way relationship between management, employees, and customers if the context of services is to be understood fully. This service (management) trinity (Lovelock, 1996) is the nexus through which HR practice is seen to operate within a services setting.

In contrast to a manufacturing context, customer satisfaction in services is directly related to the input of the customer. This has the consequent potential that the nature of the customer's participation may negatively affect the quality of service output through lack of education or training particularly in services requiring high customer participation. Customer cooperation is likely to be a minimum requirement in the production of a quality service. In

this sense, customers may be seen as co-producers of the service or as partial employees (Lovelock and Wirtz, 2011). Once there is a recognition of the role of customers as co-producers of the service or as partial employees, the service management challenge deepens as a result.

According to Madera et al., (2017), researchers in area of hospitality and tourism use a variety of measures of customer service, for example, customer quality, customer loyalty and customer satisfaction. Customer satisfaction, while critical within this environment, is necessarily different from many other settings. Sun and Kim (2013), in their study in hospitality and tourism, posit that satisfaction is "a critical antecedent of a firm's performance" (2013: 76) which reflects two separate elements - the functional element (i.e. the food and beverage in a restaurant) and the performance-delivery element (i.e. the service). Torres and Kline (2013) in their study of customer delight in upscale hotels provide support for the view that the customer experience more so than physical facilities will lead to customer delight. Based on their evidence, "a greater number of customers were delighted by the service component" (2013:649). The key role that human resources play in achieving and maintaining service quality is already well recognised in hospitality literature (Baum, 2015; Madera et al., 2017). However, the limited investment in developing staff which was frequently associated with high rates of employee turnover within the industry (Baum, 2007) add to the established challenges of seasonal variability, and the associated variation in staffing levels. Additionally, there is evidence to suggest that the guest's evaluation of the hospitality experience is based on the emotional rather than the physical aspects of services**.** Improving customer satisfaction is therefore likely to be more challenging and more costly to achieve for the service organization. A constrained set of resources in a smaller hotel environment will likely add to the challenges involved.

It is well established in the marketing literature that quality and value are judged by the customer, not the provider (Vargo and Lusch, 2004). Prior expectations affect the customer's level of satisfaction with the service, with quality within the zone of tolerance having the potential to produce a satisfactory customer experience. Within services generally, quality is regularly reflected in the well-established *Servqual* elements of reliability, responsiveness, empathy and assurance (Zeithaml et al., 1988) in contrast to the more rigid structures and standards typical in manufacturing. Within the hotel sector specifically, work by Arrifin and Maghzi (2012) shows that elements such as "star rating" can be seen to have a strong influence on the level of expectation of hotel hospitality. While Arrifin and Maghzi

acknowledge that some evidence exists to show that friendliness/warmth and personal service were relatively more important to hotels of smaller size, they caution that "comparison should only be made among the same type of hotels" (2012:197).

More recently, technology has been noted as having a significant role in developing customer expectations, particularly at the pre-service stage. In the marketing literature, word of mouth has long been recognised as significant and influential in consumer buying decisions (Moran and Muzellec, 2017). However, with the availability of social media, the transformation to what is now referred to as eWOM[4], presents a range of new considerations. Firstly, it has allowed for the "exponential expansion of the consumers' voice" (Litvin et al., 2018:318) compared to the more limited, but influential, reach of traditional word of mouth. This influence is particularly noteworthy in the services domain where electronic word-of-mouth (eWOM) provides platforms for interaction, immediacy and transparency in addition to the potential for real-time feedback. Specifically, in the context of services such as hospitality, where intangibility is a feature, eWOM additionally serves as a type of physical evidence which can assist with customer evaluation prior to consumption of the service. Potential customers of smaller independent hotels with lesser-known brands and more constrained advertising budgets may be more reliant on this type of input in shaping their expectations.

According to Schneider et al., a "climate for service refers to employee perceptions of the practices, procedures, and behaviours that get rewarded, supported, and expected with regard to customer service and customer service quality" (1998:151). A strong organizational service climate has a positive effect on a customer's satisfaction with the quality of the service (Schneider et al., 2002). In later work (2005), they propose that service-oriented leader behaviour results in a service climate which, in turn, partially mediates the relationship between service leadership and customer-focused organisational citizenship behaviour (OCB). That customer-focused OCB then contributes to customer satisfaction. Therefore, service recovery is an important element of service provision and the role of employees in aiding such recovery is linked to positive views of customer satisfaction.

Traditional HR literature, primarily emanating from a manufacturing standpoint has tended to focus on the employee/organisation interface, while traditional services literature has

[4] eWOM – electronic word-of-mouth may be defined as any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet. (Hennig-Thurau et al., (2004:39)

necessarily taken a more customer-focused approach. Drawing on the marketing literature guides us here to consider the impact of the customer influence in services. Moving beyond generic descriptions of customer to research which considers the role of the customer in a more focused way, and which is strongly reflective of market segment, provides a potential route to more insightful engagement with the influences at play. Beyond consideration of HR based on a somewhat crude classification of high or low value added services, there is a scarcity of HR literature reflecting the impact of segment in services (see Chung, 2001 for a notable exception in this regard). Chung's (2001) contribution advances discussion beyond the application of generic business strategies such as offered by Porter (1980) or Miles and Snow (1984), for example. While it is now accepted that a strategic focus on customers is likely to translate into HR practices (Subramony and Pugh, 2015). Chung's approach specifically considers the HR practices-fit with possible segments within services, albeit not within an SME context.

In summary, the relationship between the firm and the customer particularly in an SME context is more complex than it may at first seem. The power of the customer, while not equally applicable in all services settings, may nevertheless be more relevant in the context of SMEs where the powerful customer remains a significant force with the potential to shape employee behaviours.

2.10 Negotiated order in service sector SMEs: Tensions and complexity

The employment relationship is recognised as being a contested one (Edwards, 1986) particularly within the environment of small firms which are further noted to be complex social organisations (Curran 1990; Edwards et al., 2006). Edwards et al., in their study zone in on the employment relationship by looking at how small firms create and maintain working relationships while recognising that cooperation and consent are "socially produced and potentially unstable" (2006:703).

The "negotiated order" inherent in the employment relationship within small firms has long been highlighted by Ram (1991). Similarly, Edwards et al., (2006) provide examples of contextualised pay bargaining and systems of work that were technically irrational but suited both employees and management in the particular firm's context, thereby providing us with an understanding of the real and practical outcomes of different forms of embeddedness. In

practice, Gilman and Edwards (2008) identify tensions within the dimensions of culture, in employment rules (tension between formality and control), and in the owner-manager's preferred style. The pressure to formalise as firms grow (Marlow, 2006) is a familiar theme within SME literature, highlighting the resulting tensions which often become evident through the reticence displayed by both management and employees to embrace increased formality.

In accepting that the negotiation of consent is shaped by the wider context (Edwards et al., 2006), consideration of the features of a services environment may be seen to add a further layer of complexity. A type of fragile social order (Korczynski, 2002) may be seen to exist in services. Here, the obligation to conform to the real time requirements of the customer, while balancing a myriad of competing SME tensions adds a complexity that is less apparent beyond a services domain. As a result, the social dynamics at play may lead to a variation in the form that negotiated order might take. Furthermore, in many smaller businesses the absence of formal HR policies (combined with the possible inclusion of family interests) will likely result in a broader range of circumstances where a form of negotiated order underpins the basis of employment relations.

2.11 Employee outcomes

Much HR literature has focused on firm performance as a measure of outcomes, with substantially less attention given to the outcomes for employees. Moreover, employer outcomes have tended to centre primarily on financial performance, although more recently there is a growing recognition that firms should take a more holistic view of outcomes by moving beyond this traditional and somewhat narrow approach (Guest, 2017). Clearly, employees form a key part of the performance metric, as first-level outcomes such as motivation, empowerment and job satisfaction have been shown to have direct relevance to firm financial performance (Liao et al., 2009). However, an employee perspective in HR research has been typically disproportionately overlooked (Harney and Alkhalaf, 2021).

Within a services context, the employee is particularly critical as a component in the linkage from service quality to firm performance, and, therefore, should merit commensurate attention. Significantly, existing literature within hospitality points to some additional challenges and contradictions. In spite of the established link between engaged and satisfied

employees and improved service quality (Heskett et al., 2015), and notwithstanding the critical role that frontline workers play in delivering customer satisfaction (Wirtz and Jerger, 2016), this category of employee can often be amongst the lowest paid in the organisation, with few career opportunities and high levels of labour turnover evident (Baum, 2002; 2007). Moreover, frontline workers in service roles within hospitality are typically required to perform emotional labour by complying with the display rules of the company, as referenced already. Compliance with these display rules can have negative outcomes for employees (Hochschild, 2012; Lam and Chen, 2012). The requirement to smile, regardless of the employee's personal feelings, is an example of surface acting which has been noted by Lam and Chen (2012) to lead to lower job satisfaction. Alternatively, deep acting which involves actually experiencing the expected emotions (Ashforth and Humphrey, 1993) has been associated with desirable benefits for the employee, including higher job satisfaction (Lam and Chen, 2012; Van Dijk et al., 2011). More recently, Grandey et al., (2015) have highlighted that the performance of emotional labour as a key part of an employee's role may have implications for employee wellbeing and can contribute to 'burnout'. Indeed, the authors argue that the requirement for emotional labour outweighs the employee cost.

Moreover, it has been noted that employees occupying customer facing and boundary spanning roles potentially have to deal with a greater degree of role stress arising in part from expectations around emotional labour (Grandey, 2003). These tensions may be in addition to tensions associated with dealing with customer complaints and managing service recovery (Gustafsson, 2009. It is reasonable to presume that the outcomes arising from such sources of pressure can be further exacerbated or minimised depending on the approach taken to HR. For example, particular HR practices may be seen to impact the broad supply of resources in SMEs. This includes the availability of human capital, the means by which such a resource may be enabled through training and development, or how staff are empowered through a combination of HR practices supporting the linking of organisation objectives and compensation. The combined effect of HR practices in place is therefore a key constituent of employee outcomes.

These specific sectoral influences not only highlight the importance of a contextual approach to the study of HR in SMEs, but they also draw attention to the potential impact that different HR practices may have on employees within different firms. The role of HR practices in achieving positive outcomes for both the employee and the firm is not a trivial consideration.

Therefore, any study of HR practices in place should consider both employee level and firm level outcomes in tandem.

2.12 Towards a conceptual framework – reflecting on existing approaches

The attention that has been given to the area of HR practice in small firms generally is somewhat scant. Much of the research that does exist has been limited by a lack of comparability, providing results that are not additive, and leading to calls for more structure in this area (Chua et al., 2003). One contribution to the area of small firms' research is the establishment of frameworks such as those which have been provided by Harney and Dundon (2006) and Edwards et al., (2006). Beyond the SME literature, Jackson et al., (2014) contribute an aspirational framework for strategic HRM which offers a potentially useful stakeholder perspective. These frameworks provide a means by which to explore the interaction of external structural and internal elements relevant to HRM in SMEs.

2.12.1 An open systems perspective

The work of Harney and Dundon promotes "a move away from the crude stereotypes which assume HRM in SMEs takes a particular form" (2006:36). In addressing the heterogeneity of small firms, their emergent open systems theory focuses attention on the "complex interplay of structural forces and power relations" (2006:36), both internal and external to the SMEs. By so doing this moves the debate beyond normative prescriptions that have emanated from best practice or best fit literature**.** Therefore, it offers a progressive step towards real-world research through the beneficial accommodation of both context and complexity. While the resultant HR practice is noted to be strongly influenced by external forces (reflecting in part the increased vulnerability of SMEs to the external environment), the authors avoid any presumption of the deterministic nature of these forces by recognising their interaction with internal dynamics. Benefitting from the integrated nature of this sensitizing framework and accepting that the 'idiosyncratic firm responses' (2006:14) shape the actual form HRM takes and offers a means to understanding *why* HRM adopts a particular form in SMEs. Furthermore, this framework clearly and rightfully reinserts the employee as a central internal influence and, in so doing, offers a pathway to improved insight into HR research in SMEs.

Notwithstanding the merits of the framework alluded to above, an open systems approach can be difficult to operationalise. Accepting the potential influence of sectoral considerations (Tsai, 2010), the application of the Harney and Dundon (2006) open systems framework within a services setting requires that the key influence of the customer be better accommodated. Allied to this, while Harney and Dundon's framework (2006) acknowledges the role of feedback between the realised HRM outcomes and HRM as it may exist within an SME, the selection of multi-sector cases in their study affords little opportunity to consider service specific components that are likely to be relevant in such a context.

2.12.2 Working relationships in small firms

While Edwards et al., (2006) offer a framework that draws on Rainnie's (1989) established model of the economic dependence of small firms and Goss' (1991) model of employment relations, they acknowledge the deterministic nature of these earlier works. In expanding the scope for agency, they supplement the three factors (product, labour market, and resources) identified in their earlier work (2006a) with the inclusion of internal factors that they deem relevant i.e. strategic choice, rules, management style, and resources. The inclusion of these additional internal elements is helpful as they can be seen to have significant applicability within an SME context. Edwards et al., acknowledge both the resource scarcity (e.g. financial and human capital) that is typical within these firms and the likely consequences for SME choice when they note that "structural conditions constrain choices" (2006:711). The authors' engagement with the dimension which they label as 'rules and routine' is a theme that has endured in subsequent SME literature, with ongoing debate on the merits of more rather than less formalised approaches still in evidence (see section 2.5 above). Nevertheless, their treatment of this element may be considered something of a crude measure which sits uneasily with the reality of both the complex nature and variation of HR evident within the SME sector.

Aligned to this, the authors' focus on management style, which while clearly relevant in an SME context, offers untapped potential to consider this dimension in an integrated manner with other elements within the framework. Considering the complexity of the small firm environment, management style, however exhibited, has considerable potential impact on the manner in which rules and routines are formalised or how resources are allocated within the smaller firm. This more integrated type of exploration offers a potentially useful

approach for future research endeavours which may assist in addressing the question of *how* rather than *what* in relation to HR practice in smaller firms (Edwards et al., 2006).

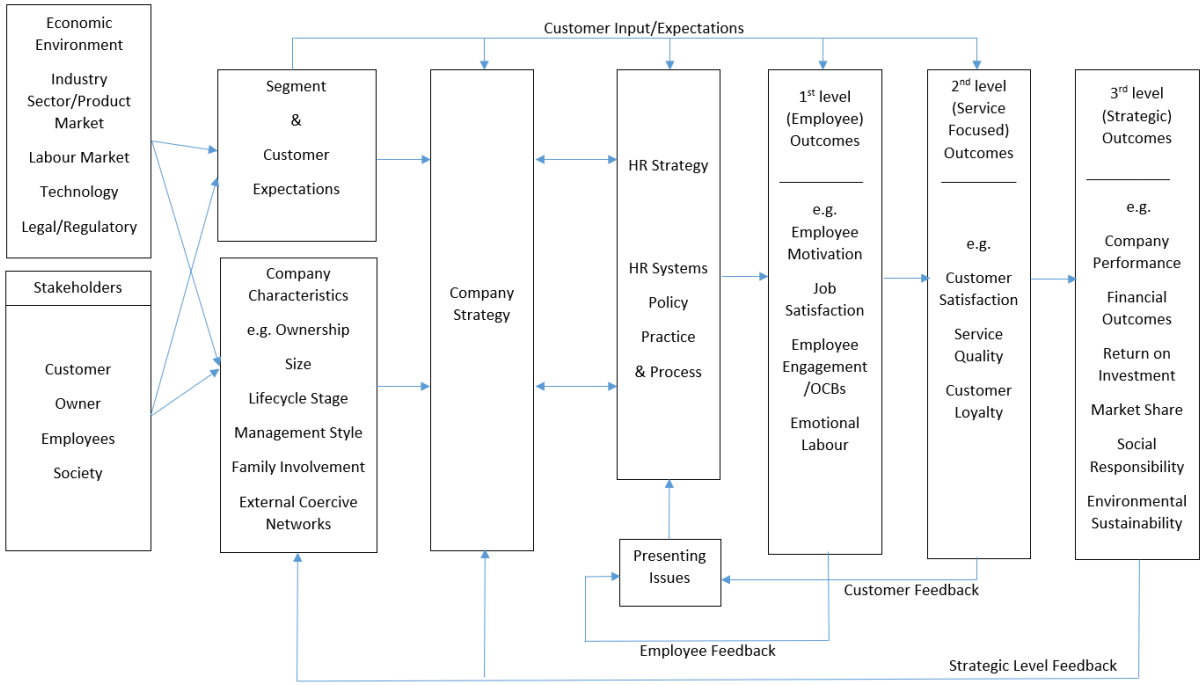
2.12.3 A stakeholder perspective

Moving to literature beyond an SME context, Jackson et al., (2014) present an aspirational framework for strategic HRM which emphasises the "multidisciplinary nature of the field" (2014:1) and gives attention to the outcomes for multiple stakeholders. Interesting this framework draws on an open systems perspective. While acknowledging the outcomes for customers as external stakeholders, building on this framework within a services specific context provides the opportunity to reconsider the pertinent role of customers. This has long been recognised in the services marketing literature, but has received significantly less attention in management and HR literature.

2.12.4 A proposed stakeholder framework in service sector SMEs

The conceptual framework presented in Figure 1 (below) offers a service sector perspective on the influencing factors of HR in smaller firms. In doing so, it draws on existing work by Edwards et al., (2006), Harney and Dundon, (2006), Jackson et al., (2014) and Madera, (2017). The resulting framework provides an enhanced spotlight on the integral role of stakeholders and customers with regard to HR practice in service sector SME settings. Specifically, it seeks to accommodate the impact of real-time feedback as it occurs in a myriad of formal and informal ways between customer and frontline employee. Moreover, it offers a means to rebalance a focus on both customers and employees as stakeholders, requiring a meaningful consideration of their roles.

Figure 2.1: Proposed stakeholder framework of HR determinants in service sector SMEs



Based on work by Edwards et al, 2006: Harney & Dundon, 2006; Madera et al., 2017; Schuler & Jackson, 2014;

It is intended that this sensitising framework better represents the iterative nature of HRM in SMEs and actively moves the debate on from any presumption of a unidirectional linear relationship between company strategy and HR implementation. In so doing, it follows Harney and Collings by accepting that in reality "strategy often emerges retrospectively" (2021:.2). Moreover, the feedback mechanisms at each level of outcome (i.e. employee outcomes, service-focused outcomes, and strategic outcomes) may help to unpick the manner in which an emergent form of HR becomes established in service sector SMEs arising from a combination of planned approaches and responses to presenting issues. Accommodating the natural coexistence of these influences within SMEs brings with it an improved understanding of the reality of HR in this environment. In the absence of formal policy, presenting issues (Cassell, 2002) may be responded to as part of the normal operation within smaller companies, albeit within the overarching backdrop of the owner's (or owning family's) philosophy. The additional closeness of the customer to employees in a service environment (Schneider and Bowen, 1985) has the potential to facilitate further adjustments during service delivery. Ultimately, this proximity has the potential to provide additional benefits, such as a clear 'line of sight' for the frontline workers in SMEs where formal systems of performance management may not be the norm.

Furthermore, the proposed framework moves beyond a reliance on the organisational lifecycle concept which Doherty and Norton contend 'ignores the heterogeneity and complexity of SMEs beyond size and disregards the importance of contextual influences" (2014:132). By drawing on the services marketing literature, the proposed framework offers potential to recognise and accommodate variation in the nature of HR in operation across different SME sectors.

2.13 Summary

This chapter has provided an overview of key literature in the area of HR in SMEs relevant to the focus and scope of this research study. In reflecting on existing contributions, the noted imbalance of HR literature in favour of manufacturing rather than services contexts and the more limited stream of literature relating to SMEs is apparent. In addition, the likely benefit of adopting a single sector approach **(**Tsai, 2010) is acknowledged.

Following the views of Farndale and Paauwe, it is accepted that "the outcomes of HRM are not universalistic but need to be understood against the setting in which a firm is operating" (2018:207). The call for context to be sensitively accommodated in the area of HR research coupled with the need "to move beyond simply reporting the presence of practices" (Guest, 2011:10), points to a means by which a more in-depth understanding of the influences relating to HR practice within an SME context may be achieved.

Based on a review of existing frameworks, it is clear that future research must seek to combine the influence of both structural and internal elements. Frameworks such as that provided by Edwards et al., (2006), while avoiding the determinism of earlier approaches, provide an inadequate focus on the employee perspective. Following Harney and Dundon (2006), the emphasis on an open systems and emergent framework points to the merits of excavating a range of environmental influences which will necessarily be dynamic in nature.

Consequently, it is reasonable to suggest that the more nuanced investigation of environmental influences on HR in SMEs *within* a sectoral area may prove a fruitful endeavour. Adopting a sectoral approach provides the means by which to give adequate attention to relevant context which is acknowledged as fundamental to developing enhanced understanding in HR (Cooke, 2018). Drawing on combined research output from HR, services management, and marketing literatures, this thesis seeks to benefit from a multi-

disciplinary perspective, thereby enabling renewed insight into the nature of HR in service sector SMEs.

Chapter 3 – Methodology

3.0 Introduction

This chapter provides an overview of the methodological choices taken in approaching and conducting research into the nature, determinants and outcomes of HRM in Hospitality SMEs. Reflecting the research objectives of this study it commences with a brief review of the focus and purpose of the research. The chapter then moves on to address three primary considerations relating to the research approach. Firstly, it aims to situate this research within the epistemological and ontological position of the researcher. It then presents an outline of, and the rationale for, the case study choices made relating to critical matters such as sampling, methods of data collection and analysis. In the concluding section of this chapter a critical reflection of these choices is provided, with reference to quality considerations and identified limitations.

3.1 Research focus and purpose

The focus of this research is concentrated on smaller firms in the services sector, with the aim of exploring the role of HR practice and the outcomes for employers and employees. With SMEs contributing almost 70% of employment and 99.8% of all enterprises in Ireland (OECD, 2019), their significance to the economy should not be undervalued. Despite this significance, extant HRM literature has predominantly focused on large manufacturing companies, with increasing calls for more research in a smaller firm context (Burton et al., 2019; Harney and Alkhalaf, 2021) and research which has a sectoral focus (Tsai et al., 2007).

Additionally, reflecting the distinctive nature of the service industry (Korczynski, 2002) and the increasing significance of services in every developed economy, the influence of the customer on employee behaviour in a service setting is explored. Accepting that there is a limited stream of research relating to the operation of HR practice within smaller services organisations, the specific context of services is considered in tandem with the distinctive role of employees in this setting. This focus facilitates a more holistic view of the interplay of institutional and internal forces within a smaller firm context. Situated within a hospitality setting, this research provides an opportunity to specifically investigate HR practice within

a particular type of services context where a service experience, rather than a service encounter, is the norm. Furthermore, this context allows a more customer-centric exploration of key influences arising from decisions around market positioning.

Reflecting an emphasis on the employees' perspective of the reality of HR practices and following the views of Guest (2011) and Verreynne et al., (2011) this research brings a much needed employee voice to the existing body of work on HRM and so contributes to achieving a fuller understanding of the reality of HR practices in a smaller firm context. In the words of Guest "since the intended impact is on workers, and they are closer to the point of implementation, there is a strong case for assuming that their views should be given more credibility" (2011:10). Furthermore, it must be recognised that the frontline worker is critical to performance within a services setting thus further reinforcing the necessity of the employee perspective.

The research question is therefore stated as:

What is the nature, determinants and influence of HR practice in smaller hotels

Objectives

(i) identify the nature and extent of HR practice in existence in different star-rated smaller hotels

(ii) explore the determinants that shape the experiences of HR practice in SMEs in the hospitality sector

(iii) identify what HR practices are perceived (a) by employers and (b) by employees to support organisational performance in SMEs in the hospitality sector

(iv) investigate the outcomes for employees arising from different HR practice

The purpose of this research is to produce meaning and enhanced insight about HR practice in smaller service sector firms. As the intention is to explore the nature, determinants and outcomes of HR practice in smaller firms, issues of context are considered directly relevant to this research. Responding to increased calls for research which is context-sensitive (Cooke, 2018; Farndale and Pauwe, 2018; Edwards 2005), the implications for methodological choices made are outlined in the following sections of this chapter.

3.2 Philosophical positioning

Accepting the role that personal positioning plays in the choices made within qualitative research it is important to acknowledge key career and personal influences of the researcher as referred to in section 1.1. My practical experience as a HR practitioner, coupled with the challenges confronted in exploring the practical applicability of HPWS research to the SME context and experiences of students have clearly contributed to the ontological position informing this research. In contrast to an objectivist perspective which presumes a reality which is more fixed in nature and can be seen to exist externally to the researcher, the underlying perspective of the researcher in this study is more subjective in nature.

The position that reality is socially constructed underpins an acceptance that the different interpretations of various social actors form the basis for achieving an understanding of the social phenomena being studied. These interpretations affect the meanings attached to events and have consequences for the actions of these social actors. These underpinning assumptions reflect a social constructivist perspective. As such, understanding the social reality of the parties to this study is both an integral and an ongoing process for the researcher in this study. It is equally one that does not privilege the view point of one particular respondent type (e.g. manager) over another (e.g. employee).

Pursuing research which attempts to achieve a deeper understanding of social phenomena requires at a minimum an understanding of the epistemological viewpoint of the researcher (Leitch et al., 2010). Any attempt to do otherwise necessarily takes from the sincerity of the research efforts, as the consequences of the researcher's values are likely to be reflected in every aspect from the research approach to the subsequent presentation of findings.

This research of a social phenomenon, unlike research in the traditional sciences, relies on an acceptance that quantitative observations and "law-like generalisations" (Remenyi et al., 1998:32) are not the key outcomes desired. It is the view of this researcher that knowledge is constructed through "a process of continuing social enactment" (Saunders et al., 2009:111). Adopting a post-positivist approach, the role of the researcher in this study is to explore alternative explanations about the social phenomena under investigation. The methodological choices outlined in the sections below reflect the nature of the research questions, which are in part underpinned by the values and interests of the researcher. As a consequence it follows that the resulting research may be considered "theory and value

laden" in nature (Leitch et al., 2010). Accepting the value laden nature of this approach, the researcher is clearly not entirely external to the process of data collection, but instead influences and is influenced by the interaction with research participants.

In investigating HR practice in the context of smaller service firms, the meanings attached to practice by both employers and employees are critical in order to understand fully the outcome(s) of such practice in an SME context. The purpose is not to assess or impose predetermined meanings and templates, something that is cautioned against in SME research (Curran, 2006). An interpretivist approach may therefore be considered appropriate. Furthermore, following Tracy (2010) the inclusion of the employees' perspective adds a 'multivocality' to this research which is likely to be beneficial in achieving a fuller insight into the reality of HR practice in a small firm context. Critically, a more interpretive approach also leaves research open to the complexities of practice, allowing for key findings and themes to emerge and be explored during the process of conducting research.

3.3 Research approach and methodological choices

In responding to the stated research question and objectives, it is clear that the investigation of the operation of HR practice within a real world setting (Yin, 2009; Eisenhardt, 1989) is critical to enhance understanding. As such, the research problem in these circumstances is not suited to an experimental approach, as it is clearly neither possible nor appropriate to manipulate the variables in the circumstances of a small business. Indeed, the production of quantitative data alone is unlikely to offer the level of detail required to achieve an adequate in-depth understanding of the phenomena under investigation and such an approach would represent a missed opportunity by overlooking the nuances that might otherwise be illuminated by contextual factors (Sheehan, 2014)**.** In the small firm context Gilman and Edwards have previously acknowledged that the mere presence of a policy did little to reflect the "extent and use of such practices" (2008:545). An established stream of UK literature has focused on HR in SMEs, with Workplace Employment Relations Study (WERS) data providing a rich source of data for these purposes. Undoubtedly, this body of work has contributed to the advancement of knowledge in the area (e.g. Bryson and White, 2019; Lai et al., 2017), but as a result of a heavy reliance on survey approaches, there is an increased tendency to treat context as a secondary consideration or to inadvertently treat small firms

as a homogenous sector. Taking a very different path, this research considers contextual influences as a central tenet meriting attention (Edwards, 2005).

As the HR practices in operation within a smaller service firm represent a complex setting with many potential layers of meaning to be explored it is proposed to undertake an in-depth study of these phenomena. The richness and detail required to address the research objectives would suggest that a qualitative approach is more appropriate. The aim of this research is not to identify causality, but to explore the interrelationships in place via an exploration of meaning and context. Key interrelationships in this study may be best determined by reflecting both the employer and employee perspective. Following Bluhm et al., "qualitative research gives 'voice' to the participant" (2011:1871) and thus contributes to the required insight. Indeed the inclusion of the employee perspective moves some way towards limiting bias in viewing the "focal phenomenon from diverse perspectives" (Eisenhardt and Graebner, 2007:28) while also moving away from a traditional reliance on a management-centric perspective. Accepting that the workers' voice has been largely neglected in much of the earlier research (Guest, 2011) its inclusion in this research opens up the possibility of achieving insight into the outcomes for employees as well as for employers. Moreover, following Wright and Nishii (2007) it enables deeper understanding by moving discourse beyond the mere presence of practices to recognise the form that implemented practices take in reality. Furthermore, within a service context the role played by employees (and frontline employees in particular) has been established as critical to performance (Altinay et al., 2008; Wirtz and Jerger 2016; Yang 2010). Therefore, a holistic understanding of the reality of HR requires employee insight.

Qualitative research is often criticised because of the perceived deficiency in using the findings to generalise to populations or other settings. However, in accepting this criticism there is an implied acceptance that the purpose of all research must be to generate such generalisations. In the case of this research work, such an assumption is misleading as the purpose is to explore the operation of HR in smaller companies and to explain how key influences shape the nature of HR practice in smaller firms. Curran indicates that previous research has lacked reference to "real people in real enterprises" (1990:139). In addressing this deficit, this research sets out to recognise the context within which smaller businesses operate, while focusing on both the people and the relationships involved. In this sense the purpose is theoretical and analytical generalisation to enhance understanding, as opposed to statistical generalisation to claim universal effects.

3.3.1 Sector and firm focus

The focus of this research is to investigate HR practice within service sector SME firms. Within this setting it is anticipated that selecting firms that are more similar in terms of size would assist in more clearly identifying the relevant contextual influences, beyond size alone, that may impact HR practice within these firms. Existing research to date has been variable and inconsistent in its treatment of size (Harney, 2015). Firms with greater than 20 and less than 100 employees became the focus of the investigation. This research focus helps to move discussion beyond a simplistic application of large firm theory to SMEs as this has been shown to be inadequate as it fails to accommodate the uniqueness of these settings (Welsh and White, 1981).

Moving away from a pre-disposition towards HR research in manufacturing firms, the current study is situated in a services environment. In framing the sample of firms from within this sector, the intention was to focus on settings where there is the potential of an extended period of interaction between the employee and the customer. The resulting interaction may be described as a service experience rather than a once-off service encounter (Bitner and Wang, 2014). Such settings were considered to be an appropriate context within which to explore considerations relating to the performance of service-focused employees, where the more extended interaction of employees mean that the role (and outcomes) of HR should be a primary focus. This coupled with the significance of service to any well-developed economy and the important contribution made by the hospitality sector in Ireland specifically, resulted in a decision to target the hotel sector as the focus of this study. Moreover, the selection of this research setting responds to continued calls for an improved understanding of the specific role of small tourist firms (Nolan et al., 2020).

3.3.2 Case study as a method of inquiry

> *"There are no perfect inquiry designs, only more and less useful ones"*
>
> *Patton (2015:263).*

In order to get a rich, context-informed appreciation of the realities of HRM in smaller service firms it is important to gain an in-depth understanding of the complexities of the situation being studied. A case study may be defined as "an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially where the boundaries between phenomenon and context are not clearly evident" (Yin

2009:18). Building on a rationale similar to Harney and Dundon, the use of a case study approach provides "a more holistic and contextual view" (2006:53) and following Tracy attempts to "make visible what is hidden or inappropriately ignored, and generate a sense of insight and deepened understanding" (1995:209). Beneficially it is noted that "case studies can accommodate a rich variety of data sources" (Eisenhardt and Graebner, 2007:28) and in the words of Flyvbjerg they "comprise more detail richness, completeness, and variance" (2011:301). Furthermore, a clear advantage of the case study method is that it accommodates the subtleties of a complex situation without the need to attempt to impose predetermined measures (e.g. lists of HR practices) or outcomes (e.g. staff turnover/commitment).

Additionally, case studies have been noted as being better than quantitative methods at providing an insight into the hows and whys rather than the what question. This is possible through the "rich empirical descriptions" (Eisenhardt and Graebner 2007:25) which cases provide. Eisenhardt and Graebner posit that "building theory from cases is likely to produce theory that is accurate, interesting and testable" (2007:26). Significantly**,** Flyvbjerg notes that "the quantitative/structural researcher does not get as close to those under study as does the case study researcher" and therefore the "proximity to reality, which the case study entails, and the learning process that it generates for the researcher will often constitute a prerequisite for advanced understanding" (2011:310). Indeed Flyvbjerg further suggests that a case study allows the reader to benefit from entering and experiencing the "virtual reality" (2011:312) that is the case story. Typically the use of other methodologies, such as surveys, would not provide the same depth of understanding.

Consideration was given to alternative research designs which also had the potential to offer an in-depth understanding of HR influences in an SME environment. Specifically, the merits of an ethnographic approach include direct access to the research setting which facilitates the researcher in becoming immersed in the social environment, thereby offering the potential to provide direct and holistic insight to the phenomena under investigation. Moreover, it is noted that ethnography has become an increasingly accepted approach in small firms' research (Ram, 1999). However, the potential benefits of this approach were countered by the likely limitations in providing comparative cases as desired by the research to explore the varieties of HR practice in multiple contexts. Additionally pragmatic considerations such as the difficulty of gaining access and the length of dedicated time required by the researcher away from a full-time employment role in order to realise the in-depth knowledge of the phenomenon were noted as constraints. It was also

considered that a single observer interpreting data could also prove a limitation (Samnani et al., 2013). Overall, the merits of a case study approach were considered to offer significant benefits which were both relevant to the research and were considered more feasible within the constraints of a part-time researcher role.

The application of a case study methodology in this research allows contextual complexities to be considered. As the focus of this study goes further than noting the outcomes that occur in certain circumstances, and seeks instead to provide an insight into why these processes occur, a case study approach can be seen to fit well with the stated research purpose. Utilising a case study approach allows debate to move beyond an assessment of HR based simply on the adding up of HR practices which Boxall notes "overlooks the huge range of variability in how they are understood, implemented and combined in organisations" (2018:24). Indeed this is an appropriate approach to explore relevant determinants and how HRM actually operates in a smaller firm setting, thereby offering the potential to capture the type of informality which is noted to prevail in such settings (DeGrip and Sieben, 2009).

Furthermore, within services, firms are uniquely connected to their external environment through the influence of customers as co-producers in the delivery of services. As such, a case study allows for the consideration of the combined influence of customer, employee and manager which may act as determinants of HR practice. Appropriate to this context, the case study allows the researcher "to tease out ever-deepening layers of reality in the search for mechanisms and influential contingencies" (Gerring, 2007 as quoted in Tsang, 2014:374). This is directly relevant to seeking understanding of the determinants of HR practice in this research, where insight is more likely to be found beyond the rigid and structured policies that may characterise a large firm environment.

The richness of the data to be achieved from the selected case provides the potential for multiple explanations which are appropriate in addressing the complexities of relationships and constraints in a services setting. The recognised relationship that exists between service quality, customer satisfaction, and financial returns in a service setting (Nishii et al., 2008; Schneider et al., 2005) is one such example which necessitates a focus on the significant role of frontline workers (Wirtz and Jerger, 2016) while accommodating the co-producing role of customer (Lovelock and Wirtz, 2011). The influence of these relationships may be better teased out through a case study approach.

The relevance of context is critical to the proposed research. Using a case study approach in the research facilitated a holistic approach allowing the collection of extensive data and the situating of findings within the realities of an SME hospitality environment. This smaller firm service context is significant in achieving a fuller understanding of the phenomena being studied "Case studies emphasise the rich, real-world context in which the phenomena occur" (Eisenhardt and Graebner 2007:25). It is the very uniqueness of the case which we seek to explore and understand, and the richness of detail accumulated around a specific case allows for the layers of understanding to be better achieved. Tsang follows Tsoukas (1989) in supporting the view that the rich context within which a case exists allows us to focus on the "specific contingent conditions under which postulated mechanisms operate" (2014:374). These contingent conditions provide a key means to explore the determinants in SME HR practice. Furthermore, case studies, while traditionally criticised for their lack of generalisability nevertheless provide a very useful means by which theoretical generalisation may be achieved (Yin, 1984).

3.3.3 Multiple-case design

A multiple case study design was adopted with cases chosen from different star-rated hotels as this was considered to highlight best the potential difference in HR practice that could exist in these settings. This was considered to offer the potential to highlight the reality of HR practice in both high-value added and low-value added SME's (Gilman and Edwards, 2005) within a hospitality setting. Yin supports the benefits of a multiple-case study approach acknowledging that it "is often more compelling" (2009:53) while Tsang agrees that it "provides a stronger basis for theoretical generalisation than a single-case design" (2014:374). Following the approach of Hwang and Lockwood (2006), a multiple case study provides scope to collect "a range of indicators that point to the multiple qualitative facets" of a significant concept (2006:339). Deploying a multiple case study design allowed the investigation of cases from different star-rated smaller hotels. Using semi-structured interviews as a primary means of collecting data provided the opportunity to gather in-depth information to assist in answering the research objectives. A minimum of seven interviews was conducted in each case and these interviews incorporated both employer and employee perspectives. The dual perspectives of employer and employee were considered essential in offering a more complete insight into the reality of HR practice within a particular SME service context.

3.3.4 Target firms

Choosing firms from one sector was intended to eliminate differences arising due to sectoral variations (cf Tsai 2010) as it is anticipated that certain contextual factors may be broadly similar for firms drawn from within the same sector, including the influence of the labour market and some economic factors. This avoids an undue focus on idiosyncrasies which may be apparent within cases if they were drawn from diverse sectors and, reflecting the views of Gilman and Edwards it avoids "the danger of compiling sets of interesting but non-comparable stories" (2008:550). The single sector approach taken here, situated as it is in a service setting, facilitates a move beyond the earlier multi-sectoral approaches of Harney and Dundon (2006) or Verreynne et al., (2011). Additionally, it builds on work by Gilman and Edwards (2008) who despite recognising the significance of sectoral implications, nevertheless give scant attention to the likely difference between manufacturing and service firms within the high-tech sector. Furthermore, as the focus of the research is to investigate HR practice within the smaller firm context, a decision was made to select organisations that were more than five years in operation. This would avoid the liability of newness, focusing instead on the liability of smallness (Welsh and White, 1981).

The initial decision to focus solely on small hotels (which in line with the EU-provided definition are firms employing between 10 and 49 employees) was later relaxed for pragmatic reasons related to case selection considerations (outlined below) to allow the inclusion of medium-sized establishments. Eliminating hotels that are part of a larger group allowed a fuller understanding of the nature of HR practices which are in place in the cases selected. It was considered that hotels that were group owned were likely to be influenced by corporate policies that may not always reflect the more local context within which the individual hotel operates. Given the timing of this research it was also recognised that many hotels that had experienced recent financial difficulties had come within the control of a financial administrator and this was likely to be the overriding influence in terms of the policies being adopted within that setting. These hotels were excluded from the study in favour of those independently owned that had remained under private control. Firms employing no fewer than 20 employees and no more than 100 employees became the size category targeted for this study. These parameters were further refined via scoping interviews and through the case selection process.

3.3.5 Case selection

The approach taken to sampling is often noted as a point of departure between qualitative and quantitative studies (Patton, 2015). The recognised weaknesses of one approach can often be heralded as the strengths of the other. Qualitative research seeks in-depth information for the purpose of increasing understanding, and this may be done by sampling a single case or a much smaller number of cases as compared to a probability sample which may be typical in quantitative approaches. In a qualitative setting "sampling is not a matter of representative opinions, but a matter of information richness" (Gutterman, 2015:4**)**. As statistical inference is not an objective of this work, the views of Mitchell (1983) in Seale (2000) are relevant where he suggests that a case should be "chosen for its power to explain rather than for its typicality".

All sampling within qualitative research may be broadly defined as purposeful sampling and within this category many variations exist (Patton 2015; Coyne 1997). In this study a purposeful and stratified sampling strategy was employed to identify cases for investigation with the selection of cases focused on those that would "yield the most information and have the greatest impact on the development of knowledge" (Patton, 2015:276). The purpose of the study was to seek information-rich cases that would facilitate increased understanding of HR practice within small service sector companies rather than seeking to generalise findings from the sample to a larger population. Adopting a purposeful sampling strategy allowed the focus to remain on similarly sized hotels while also permitting the inclusion of a mix of well-established and newer hotels, both first and second generation family hotels, while accommodating a range of different star-rated properties. Deliberately selecting cases across a range of star-rated hotel categories was intended to provide an opportunity for comparison, highlighting potential contrasts or similarities, if they existed.

3.3.5.1 Case identification process

The first phase involved securing and consulting a database of hotels. In order to identify potential cases The Bord Fáilte (2014) list of approved hotels was obtained and used to identify all approved hotels (823 in total). One-star hotels were removed from the listing as these were not the target of the research (see Appendix B.1 for an overview of hotel selection criteria). Using the number of bedrooms recorded by Bord Fáilte for each hotel as an initial proxy for size allowed the list to be further refined to exclude the larger hotels (defined as those with 51+ bedrooms). As the focus of this study was on privately owned hotels, further

analysis of the list allowed a number of establishments to be removed due to group ownership of properties, either evident by name or via a quick background search. Given that the nature of the Dublin hotel market, specifically in terms of room occupancy, average room rate and revenue per available room (RevPAR), was markedly different to the rest of the country (Crowe Horwath, 2019:3), it was decided to remove Dublin hotels and focus on those based throughout the rest of the country.

The initial research criterion was to focus on hotels with less than 50 employees. As a result of the screening process outlined above it became evident that the potential pool of small 5-star hotels that were not obviously part of a corporate hotel group was limited to fewer than five establishments. Based on information obtained from the original scoping interviews it was noted that the number of employees in 5-star hotels was significantly higher than lower star hotels with similar room capacity. This was likely the result of additional facilities within such establishments such as a hotel spa/leisure centre or in some cases a restaurant of significant quality, such as a Michelin star restaurant.

In order to include smaller 5-star hotels in the research and to reflect the somewhat higher staffing levels typical of these hotels, it was decided to relax the absolute maximum number of employees (initially set at 50 employees to comply with the EU definition of small companies) thereby allowing a larger potential pool of higher star-rated smaller hotels from which to secure access. This change in criterion was adopted for pragmatic reasons as it was considered that the potential comparison of HR practice in operation across a broader range of different star-rated hotels would prove more insightful. Using the amended size criteria of up to 100 employees provided increased scope to secure a 5-star research site. A range of different star-rated hotels was then sought to fill the research criteria with the intention that hotels representative of both Edward and Ram's (2006) low value added and high value added distinction would be included. The amended research criteria provides for the inclusion of hotels where up to two establishments are owned by the same family. The exclusion of hotels in group ownership (as outlined above) is maintained with group ownership being defined for the purposes of this research as hotel groups comprising three or more hotels.

3.3.5.2 Refining the shortlist and gaining access

Working from the revised shortlist of hotels (n=357) it was then necessary to establish the number of employees in hotels that appeared to meet the other criteria for inclusion. This

was done by phoning the hotel and seeking confirmation of the approximate number of employees, whether the hotel was in private ownership, and whether trade unions were recognised. Furthermore, feedback from the scoping interviews undertaken (see section 3.4.1) indicated that significant disparity in performance outcomes was likely to be found between hotels located in Dublin and those located elsewhere. As a result, it was decided to further refine the shortlist to purposefully exclude those hotels located in the greater Dublin area.

Having confirmed that the hotel met the criteria for inclusion (outlined above) access was then sought from a number of hotels across each of the star-rated categories. The aim was to gain access to a minimum of five hotels, including at least two hotels within each of the 2/3 star category and the 4/5 star category, with an ideal of at least one hotel from each star category. While the process for gaining access to some of the case hotels followed a simple sequence of emailing or telephoning the owner or general manager, in other cases the process required adjustment to the nature of the hotel setting. For example, the access request to a 5-star hotel which initially met with a negative response during the screening call was subsequently adjusted by the researcher to include a typed letter, an email to arrange a follow-up telephone discussion, and an introductory meeting with the general manager before access was subsequently granted.

Ultimately, access was secured to five hotels from a range of three to five star-rated establishments, (with an average of 64 employees). Unfortunately, access to a suitable two-star hotel proved problematic within the timeframe for this research and therefore the ideal coverage of at least one hotel per star category was not achieved. Nonetheless, it was felt there was sufficient variety of hotels to enable a rich comparison, something that is reinforced by the key findings (chapter 4) for example as related to sector. It is important to clarify also that there was no prior connection between the researcher and any of the five hotels selected. A summary of the final list of hotels accessed which served as research sites and their key characteristics is given in Table 3.1 below. In order to ensure that the case hotels were not directly identifiable, each of the selected hotels was given a name for the purposes of this research using a combination of their star-rating (as per Fáilte Ireland) and a broad location descriptor (where more than one hotel with the same star-rating was included).

Table 3.1: Key Characteristics of Case Hotels

Case Hotel	Number of Case Hotels	Number of Employees	Rooms/Accommodation Capacity
3starCity	1	40	90*
3starTown	1	60	60
4starCountry	1	65	65
4starTown	1	85	46
5star	1	70	25
	Average	64	57.2

3.4 Data collection methods

3.4.1 Scoping interviews

From an initial interest in the nature of HR practices in smaller firms, a series of nine scoping interviews were conducted (see Table 3.2 below) to achieve an understanding of background issues and context within the services sector, to assist in framing the specific research objectives and to gain an appreciation of common challenges and themes related to HRM in hotels. These interviews covered expertise in policy as well as academic and industry experience, and proved valuable in identifying key themes (e.g. industry issues such as the differences likely in different star-rated hotels as well as challenges and norms around recruitment, reward, and training and development) for data collection and the subsequent analysis of the collected data.

Table 3.2: Scoping Interviews Conducted

Interviewee	Classification of Experience	Current Status
Lecturer (Hospitality)	Industry and Academic	Lecturer
Lecturer (Food and Beverage)	Industry and Academic	Lecturer
HR Manager of Hotel Group	Industry	Practitioner *
HR Manager of 5-star Hotel	Industry	Employed
Restaurant Manager	Industry	Owner
Service Sector Employee (Hospitality)	Industry	Employee
Training Consultant with expertise in hospitality sector	Training	Consultant
Senior Fáilte Ireland Employee (now retired)	Policy	Retired/Consultant
Employment Agency Consultant specialising in services to higher star-rated hotels	Agency	Consultant

* Interview conducted by telephone

3.4.2 Case study Interviews

Case studies offer the advantage of providing the means to collect multiple sources of data, thereby facilitating the inclusion of a variety of perspectives. In this research, for example, access was given to a range of company documentation including staff handbooks, safety handbooks, contracts, induction material and in some cases guest comment cards. Additionally, opportunistic observations were made on each visit to the hotel and additional information was gathered from social media sources. Despite these varied sources, face-to-face interviews were the main data collection technique employed.

Interviews were chosen as the primary means of data collection, as they are an appropriate method of gathering in-depth information and they allow the potential to explore "more complex and subtle phenomena" (Denscombe 2010:173). Face-to-face interviews have the additional benefit of providing an opportunity to clarify understanding or to ask follow-up questions, as appropriate. This provides the interviewer with the opportunity to gain additional information about context or circumstances through both verbal and non-verbal cues which may provide the basis for additional insights into the topic being researched. In the words of Mason, the role of the interviewer is to generate "situated knowledge" (2004:62).

The type of interview conducted will influence results also. While a very structured interview can be said to demonstrate a higher level of reliability in the results that it

generates, it must be recognised that this very structure is likely to limit to some extent the flexibility of the interviewer to seek additional contextual details which may be pertinent to a qualitative study. Hence, attempts to generate an improvement in the traditional measure of reliability associated with the interview may cause a deficit in the validity of this method of data collection in a qualitative setting. In the context of the current research pursuit a very standardised, structured interview protocol would risk coming close to imposing the pre-determined, survey-type HRM the study seeks to avoid. Instead, the research drew on semi-structured interviews allowing the interviewee to provide open-ended responses and to provide the interviewer with an opportunity to excavate a rich stream of data by offering the flexibility to further investigate unique factors that may impact on the actual HR practice in operation.

Given the focus on the role and perceptions of the service worker and, in particular, the potentially critical role of the frontline worker in a hospitality setting, it was considered critical to seek employee perceptions of the role of the HR practices in operation within the organisation. It is also clear from previous research that there is a significant difference between espoused and actual practices in operation (Wright and Nishii, 2007) and the role of the manager is critical in determining the shape of practices, as implemented. Therefore, there is a need to equally understand both the manager's and the employees' perspectives on HR practice. Previous research has been limited by an over-emphasis on the view of management at the expense of developing a more balanced management and employee perspectives (Guest, 2011). Within each hotel setting it was anticipated that a rich stream of data would be generated by choosing to interview both managers and employees. In particular, the employee perspective, for example, provided both an appreciation and an authentication of the reality of owner-manager style and also provided a sharper focus on those areas of HR policy where a pragmatic solution took priority over the documented policy statement.

Potential contradictions that may emerge from this approach may challenge our existing understanding of the reality of the operation of HR practice in smaller service settings and so help to generate alternative explanations that advance our thinking. This was particularly clear in the case of 4starCountry where internal tensions between the owner and other management team members meant that HR practice was softened to some degree by an externally appointed general manager. Additionally, there was evidence across all the cases of reporting arrangements often being varied to suit the particular circumstances (e.g. for

pragmatic reasons or in other instances to strategically suit an individual employee's own agenda). These variances within, are somewhat reminiscent of Ram's 'negotiated order' (1991). Furthermore, the data collected from both management and employee, when combined with social media data (see section 3.4.3) clearly highlight the significant role of the customer in this environment, thereby signalling some additional features (e.g. market segment and focus) which help to provide enhanced understanding and insight.

The themes and questions to be used for both the manager and employee interviews were drafted to reflect the research objectives in the form of exploring the nature of practices, determinants and outcomes (see Appendix B.2 for manager and employee interview schedules). Pilot interviews were undertaken with both an owner manager and an employee of an additional four-star hotel prior to undertaking data collection interviews and this provided an opportunity to check the understanding of certain questions. Following the pilot interviews, certain amendments were made to the interview questions to enhance understanding prior to conducting the research data collection interviews.

In each hotel in-depth interviews were conducted with a selection of both management and employees, and between seven and ten interviews were completed in each company setting. The interviews with management included the owner-manager or another senior member of the management team (such as the general manger) and the member of management with responsibility for HR matters. In addition, at least one other member of the organisation with departmental or supervisory responsibilities was included, and a number of non-supervisory staff drawn from a variety of functional areas within the hotel were also interviewed.

Initially, the owner or a named manager within the hotel was approached by telephone (or email) to gain access to the specific hotel. Documentation such as the Informed Consent Form and the Plain Language Statement was provided to the manager in advance of the first interview, with the signed Informed Consent Form being returned prior to the commencement of each individual interview. Interviews were recorded with the permission of the interviewees in all but two instances, where the interviewee's preference not to have the interview recorded was respected. In these cases notes were taken and typed up immediately following the interview and in all other cases the audio file was subsequently transcribed for later analysis. Each file was renamed with a code at the point of typing to ensure that only the researcher could match the typed interview to the individual establishment and job position. Interviews typically took place on the work premises, often

during work breaks or at the beginning or end of the employee's shift, with the consent of hotel management. Only one interview was organised to take place off-site at a mutually convenient college location where the employee was undertaking a programme of study at that time. A table with details of respondents, including nature and role across each hotel is included at Appendix B.3).

Interviews typically lasted between 40 minutes and 1hour and 10 minutes with the average interview lasting 49 minutes. During the data collection phase between three and five visits were made to each of the hotels, for the purpose of initial meetings and in-depth interviews. In addition to formal interviews, additional time spent in the 'field' in each case added to the level of understanding achieved. Various unstructured opportunities for engagement and observation provided an effective means of understanding the culture in place. Particular examples included the few minutes of casual chat with an employee after the recorded interview had taken place or observation of the number of times (and reasons) the most senior managers in each hotel were interrupted for operational practicalities during their formal interview session. In some cases, access to the staff canteen or a tour of the hotel was provided, and this in the case of 5star notably included a guided tour of the gentlemen's toilets, such was the pride of this establishment. These opportunities offered enlightenment in ways far beyond what might be achieved by a more structured method of data collection, such as a questionnaire. The resulting interactions and observations were documented and combined with sample documentation, such as the Staff Handbook/Safety Manual, the formal transcript of interviews, and other supplementary information such as copies of contracts (where provided), for later data analyses.

Additional background information, including the number of staff, gender profile, level of training, and membership of network associations was sought about each hotel either before or after the interviews were conducted, as appropriate. Overall, there was a reasonable split of male/femalesa staff and a reasonable diversity of staff nationalities employed in most of the case hotels. However, in all cases there was a notable dependency on employees who had English as a first language in frontline roles. The backhouse function of housekeeping in 3starCity was noted to be predominantly staffed by non-national employees. As a result, it should be mentioned in this particular case that the more limited language skills of some of these interviewees resulted in less elaborate quotations than those provided by employees with fluent English skills. Nevertheless, the findings presented are considered to represent a fair and consistent account of the views expressed by the employees concerned.

The quality of access achieved allowed the researcher to develop a level of confidence in the data collected. This was reinforced by a variety of factors including, for example, access to all-staff areas such as the staff canteen in 5star (when not involved in interviews) and also by the many informal interactions and opportunistic observations of casual interactions between significant players in each setting. In particular the number and type of interruptions observed during interviews with the owner or general manager in each case hotel was insightful in reinforcing the espoused views of such participants on matters such as management style and level of engagement.

For example, the GMs involvement was notable in 5star where one interruption to an interview occurred to allow him to review the daily lunch menu before it was circulated. In 3starTown during a discussion with the owner, the samples of material for re-upholstery of the bar area were brought to him for final review. Once he had confirmed that all staff had been invited to give their opinion, he simply asked which sample the staff had chosen before supporting that decision. This type of interaction offered insightful and beneficial data inputs which were combined with the formal recorded interview transcripts. Moreover, access to staff in such informal settings provided reinforcement of their true sentiments about working in hospitality roles in general and within the case hotel in particular. This holistic data offered an enlightened view into the reality of HR practices in small hotels and one which clearly brings the researcher beyond the more traditional 'bleak house' perspective of HRM in SMEs.

3.4.3 Social Media

Over the course of background exploration of the hotels, and indeed during the in-depth interviews, it became apparent that social media is a critical part of the fabric of these smaller establishments. Specifically, each hotel was noted to make regular use of Tripadvisor as a source of customer feedback, as well as providing supporting evidence of performance. In order to capture and reflect this, a sample of the data was collected from the Tripadvisor site in respect of each of the five cases studied. The data comprised both the narrative comments of contributors in addition to the metrics (e.g. customer-awarded star rating) associated with each entry. It is accepted that the number of reviews analysed in this study was statistically small and therefore resulting findings should be treated with caution. It is acknowledged that methodological issues are associated with the inclusion of user-generated review data from social media (Hernandez Ortega, 2018). However, this data provides a source of customer

feedback in respect of organisational outcomes which is considered to add a relevant dimension to research data. Additionally, it provides a customer perspective on performance issues in each hotel and, as such, supplements and enhances the credibility of data collected from both employers and employees.

Overall, digital data is an additional source of information that is increasingly and exponentially created as we interact with our environment. Using online reviews from a travel site such as Tripadvisor gives a different perspective on customer feedback and how it may be subsequently used within a hotel environment. Digital data can be helpful in identifying patterns for further investigation, but it is important to remember that it needs to be interpreted with caution to have any meaning (see Ayeh et al., 2013 and Xiang et al., 2017 for a discussion on credibility of online reviews). A real world context requires us to grapple with the reality that constructs our contemporary world and what we perceive it to be. Web 2.0 and its challenges allow for the creation of data in many forms. While this data is ubiquitous and its incorporation into customer assessment and evaluation is commonplace such a role has rarely been considered in the context of HRM research.

3.5 Data analysis

3.5.1 Key definitions

The distinction between employee and manager was found to be inconsistently denominated by job titles in the hotels included in this study, with titles of 'supervisor' and 'manager' often reflecting similar tasks in different settings. For example, in the absence of a general manager in 3starTown, the Duty Managers were responsible for operational matters and reported directly to the owner, while in 4starTown there was an example of an employee who preferred not to take a managerial or supervisory title but nevertheless was effectively in charge of front-of-house and reported to the general manager. For the purpose of this research and given the smaller size of hotels being studied, the classification outlined below was adopted. This overcomes what might otherwise have been missed or misinterpreted by a survey approach using predetermined labels for job roles, and further highlights the merits of an in-depth qualitative approach in this context.

The general manager (GM) of the hotel and those who reported directly to the GM were classified as being at managerial level. The term 'employee' was used to describe staff who

were more than one level below the GM. It should be noted that in all but one of the hotels studied, the position of general manager was part of the organisational structure. In the remaining hotel the term 'employee' was used to describe staff who were more than one level below the owner-manager.

3.5.2 Stages of data analysis

> "Words are the way that most people come to understand their situations; we create our world with words; we explain ourselves with words; we defend and hide ourselves with words" (Maykut and Morehouse, 1994:18)

The role of the researcher in data analysis is to provide meaningful explanations. This may be achieved through the identification of patterns in the data and by providing an evidence-based trail of how such patterns may contribute to answering the specific research question. The recognised phases of data analysis typically include compiling data, disassembling data, reassembling data, interpreting data, and drawing conclusions from the data (Miles and Huberman, 1994). While these stages may be non-linear in practice within a qualitative study, the main activities undertaken in each stage are outlined below.

3.5.2.1 Compiling data

Having chosen to adopt a case study approach, data in the form of semi-structured interviews with both employers and employees, noted observations, company material (e.g. contracts, employment policies and staff handbooks) and online content were compiled to address the research objectives. All data from the recorded interviews were transcribed together with any notes taken at the time of the interview relating to contextual information. Each recorded interview was replayed and the typed interview transcript checked for accuracy. In addition to verifying the data, this process has the advantage of allowing the researcher to become familiar with the data. At this point, preliminary observations and initial themes were noted for later analysis to enable a fuller understanding of the circumstances that may be seen to impact the case. All data associated with each case study were then grouped together to provide a complete data set. The use of NVivo software allowed the researcher to easily utilise various ways of classifying the data during this stage and later stages of data analysis. Excluding material from nine scoping interviews, over 950 pages of typed interview transcripts were collected and analysed, representing 40 semi-structured interviews and approximately 33 hours of recorded interview discussion.

3.5.2.2 Disassembling data

In this stage the data are broken down into smaller pieces and coded (see table 3.3 below). Data coding is a precursor to analysis. The process of generating initial codes provides a means by which a unit of meaning is attached to a piece of data. In the words of Boyatzis, 1998, as cited in Braun and Clarke, codes are "the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon" (2006:18) and they provide a way of ensuring that all relevant data is organised and incorporated into the later stages of data analysis. Use of NVivo software during the data analysis stage provided the means to organise data, identify trends and make the presentation of data more straightforward. While coding was still completed manually, the process of producing codes is systematically documented and therefore assists in producing more rigorous research findings, through the provision of an audit trail.

Table 3.3: Early stages and process involved in qualitative analysis

Analytical Process	**Practical Application**	**Strategic Objective**	**Iterative Process Throughout Analysis**
Data Collection	Phase 1 –Transcribing & Import into NVivo Software	**Data Management** (Open & Hierarchal Coding via NVivo Software) ↓	Assigning data to refined concepts to portray meaning ↕
Start List	Phase 2 – Open Coding	**Descriptive Accounts** (Re-ordering, 'coding on' and annotating via NVivo Software)	Refining and distilling more abstract concepts

(adapted from Miles & Huberman, 1994)

3.5.2.3 Reassembling data

The initial codes generated were subsequently organised into categories and thereafter into patterns or themes (see table 3.4 below). While these initial themes are influenced by the interview questions asked and therefore clearly linked to the research questions and objectives they should not be considered to be predetermined. Analysis based on these initial themes allowed patterns to emerge with categories

being further subdivided or amended in light of the data being analysed. The concurrent nature of data collection and analysis provides a key benefit in a qualitative approach, contributing as it does to a much improved and more holistic analysis of the case.

In this phase use of the matrix reporting function within NVivo made it possible to take an overview of dominant themes that were emerging and a comparative analysis of the number of codes by hotel permitted early observations about key differences between the cases (see Appendix C for screen shot example). Following Bazeley it should be noted that "matrix displays are an extremely useful way of detecting patterns in data" (2009:13). The number of codes in itself was not considered to provide conclusive evidence of any particular theme but rather was used to highlight areas for further consideration and analysis, thereby contributing to a more robust result. This provided the opportunity to identify key insights into emerging themes while adding a level of transparency to support and underpin the resultant findings.

3.5.2.4 Interpreting data

This stage involves "using the reassembled material to create a new narrative" (Patton 2015:187) with the patterns identified from the earlier stage(s) forming the basis for possible interpretations of the data. Through iterations of coding, patterns became evident which formed the basis for potential explanations for the relationships that existed in the context of each case under investigation, and ultimately these explanations provide the basis for the research conclusions.

Table 3.4 Later stages and process involved in qualitative analysis

Analytical Process	**Practical Application**	**Strategic Objective**	**Iterative Process Throughout Analysis**
Data Display	Phase 3 Categorisation of Codes	**Descriptive Accounts** (Re-ordering, 'coding on' and annotating via NVivo software) ↓ **Explanatory Account** (Extrapolating deeper meaning, drafting summary statements via NVivo software)	Refining and Distilling more abstract concepts ↕ Assigning data to themes/concepts to portray meaning ↕ Assigning meaning ↕ Generating themes and concepts
Data Reduction	Phase 4 – Data reduction Writing analytical memos		
Conclusion Drawing/Verifying	Phase 5 – Validating & synthesising analytical memos		

(adapted from Miles & Huberman, 1994)

3.6 Evaluation of research

> "ultimately, case research rigor is determined by attention to idiosyncrasy and transparency of reasoning" (Ketokivi and Choi, 2014:232)

In contrast to the widely accepted tests of quality in quantitative research, writers such as Lincoln and Guba (1985), Tracy (2010), Welch and Piekkari (2017) and Winter (2000) have offered alternative quality measures to the traditional positivist criteria of reliability, validity, generalisability and objectivity. In the words of Tracy "values for quality, like all social knowledge, are ever changing and situated within local contexts and current conversations" (2010:837). Furthermore, Welch and Piekkari (2017) caution against proceduralism as a prescription that improves quality in qualitative approaches, emphasising that there is no one procedure which will produce better data in all circumstances. Accepting that any rigid application of procedures is unlikely to prove applicable or beneficial across qualitative research does not lessen the researcher's responsibility to evaluate the quality of research undertaken and, in this context, much can be learned from the continuing discourse in existing literature. The following paragraphs chart the rationale for the approach to quality considered relevant to this research.

While an obsession with reliability and generalisability may be inappropriate in a qualitative setting the data generated should nevertheless be "thorough, careful, honest and accurate" (Mason 2004:188), thereby allowing the reader to come to an informed opinion on the results presented. The section which follows provides a critical reflection on decisions made throughout this research project with the intention of offering research that is "situationally grounded" (Ketokivi and Choi, 2014:234) and which offers an accurate insight into the implications of choices made.

It is recognised by writers such as Welch and Piekkari that the difficulty in adopting a universal set of quality criteria in qualitative research is that "these criteria are likely to be so broad… that they risk not being useful" (2017:6). A review of the 'big tent' criteria proposed by Tracy (2010) indeed reveals that they are not prescriptive in nature but nevertheless offer a form of scaffolding from which qualitative researchers may build their own unique freestanding and stable structure which is relevant and context sensitive. Tentatively following Tracy's (2010) criteria of a worthy topic, rich rigour, sincerity, credibility, resonance, significant contribution, ethics and meaningful coherence, some key observations relating to this research study are outlined below.

It is accepted that "sample selection has a profound effect on the ultimate quality of the research" (Coyne 1997:623). In selecting cases that would best illuminate the issues being researched it was considered important to include a 5-star hotel and considerable effort was invested in negotiating access to a particular hotel that met the study criteria. This was considered important to maintain the rigour of the study. The inclusion of a suitable 2-star hotel was also anticipated in the original research design but access proved extremely problematic. While it was anticipated that a full range of hotels classified from 2-star to 5-star would provide a good basis for comparing practices in high and low value-added firms, initial results indicated that the underpinning reasons for differing HR practices could not simply be attributed to star ratings. As such the final choice to proceed without the inclusion of a 2-star property was made after extensive attempts at access. In the interests of practicality this was not considered to compromise the overall findings of the research.

Within each case the selection of interview participants was jointly agreed with the 'gatekeeper' in each hotel. In all cases the selected hotels were very open to allowing access to a range of employees across different functional areas and levels, highlighting that a degree of trust had been established between the researcher and the hotel owner or manager.

In some instances, simple events like access to the staff-only areas of the hotel during breaks between interviews provided further reassurance that these hotels were willing participants in the research process. The fact that there was no attempt to maintain a public relations facade provided the researcher with increased confidence in the authenticity of the data collected.

Positivists may regard the interview as a form of data collection that is inadequately controlled. However, from a qualitative perspective this method provides the benefit that it facilitates direct access to the point of view of the interviewees, bringing with it the perceptions and lived experiences of those interviewed. These experiences, while varied, can provide a lens with which to make sense of, and interpret, their reality. In a similar manner the researcher "enter[s] the situation with all their knowledge of existing theory, their individual biases, and their expectations for the unfolding of the behaviour" (Bluhm et al., 2011:1871). Consequently, being conscious of the role of the interviewer/researcher in qualitative research it is important to avail of reasonable protocols to ensure the accuracy of data collected. In this research, the design of questions intended to avoid superficial answers. Tape-recorded interviews, typed transcripts and the decision to interview multiple respondents (including employee and manager level) in each hotel partly mitigate the risks of researcher bias. This jointly produced data provides a richly textured account of the phenomena under investigation, which facilitated a systematic analysis that goes beyond a mere description of categories to provide evidence-based conclusions.

It should be acknowledged that there are many potential risks to quality during the interview process. Semi-structured and unstructured interviewing requires a particular level of planning to ensure it achieves the goal. The outcome relies on the skill and experience of the interviewer. In addition to the more practical interventions in this study, such as the use of scoping interviews and pilot interviews to enhance the potential effectiveness of the interaction, the researcher was conscious of displaying empathy to assist the more nervous interviewee and to help build trust and rapport at the outset of the interaction in order to enable a more engaged interview dialogue to occur. Reflecting Miles and Huberman "weak consent usually leads to poorer data" and "respondents will try to protect themselves in a mistrusted relationship" (1994:291). Even where the purpose of the interview had been pre-explained to the interviewee via the 'gatekeeper' in each hotel, effort was invested by the researcher in ensuring that the principles of informed consent were fully understood and that such consent was given freely.

In relation to interpretive qualitative research it should be noted that researchers bring their own values and knowledge to the research endeavour. Therefore, the researcher's self-awareness is also relevant. Having engaged on this journey of research with considerable years of experience of selection interviewing, this experience contributed to a confidence in approaching the data collection stage and in particular the stages relating to establishing rapport with interviewees. However, the more structured format of management interviews required adjustment in order to be fit for purpose in the context of this study. Pre-existing assumptions on the part of the researcher also need to be excavated, and while the hospitality sector may be typified by low-value jobs offering minimum satisfaction and high employee turnover rates, this was found to be far from an inevitable reality.

Additionally, the different demographic of interviewees can present a challenge. In some of the hotels studied interviewing employees for whom English was not their first language meant that there was, on occasion, a more limited source of extensive quotations from a broad sample of the employees interviewed. This is not to say that their perspectives did not assist in the study but quality quotations of a concise nature were more limited and as a consequence, the resulting presentation of findings in chapter 4 (most notably in relation to 3starCity) may imply an unbalanced reliance on the views of a small number of employees in that particular setting.

While data triangulation in itself suggests that different sources providing data which is the same or similar may increase confidence in the resulting data, the many levels of complexity within a case provide an additional argument for searching out alternative perspectives and sources. These sources are availed of in the knowledge that different perspectives provide a more holistic understanding of the phenomena being studied rather than an absolute and singular view of reality.

In this study, the decision to interview managers and employees in relation to HR practice and outcomes provides some reassurance about the holistic nature of the results described. Additionally, the opportunity to gain customer feedback from social media sources such as Tripadvisor helped to provide an additional and valuable perspective. This 'multivocality' (Tracy, 2010) adds to the credibility of the findings. Other opportunities for data triangulation occurred as a result of direct observation of events and the feedback from customers via a visitors' book or comment cards. Secondary sources of information such as staff handbooks also provided worthwhile sources from which to increase the overall

credibility of the research findings, while acknowledging that the intended and actual practices may differ in reality (Wright and Nishii, 2007). The use and limits of social media commentary were discussed above and are also elaborated upon further when these are used to supplement emergent findings in chapter 5.

The flexibility of the case study as a mode of inquiry, facilitating its use in a broad range of circumstances must be balanced with the accepted fact that it is an approach that to a certain extent is less 'codified' (Yin 2014) than more positivistic approaches. As such, appropriate and pragmatic decisions need to be made at many points throughout the process. Of necessity it must be recognised that "choice excludes other choices that could have been made" (Miles and Huberman, 1994:57).

3.7 Ethical Considerations

Ethical approval was received from the Ethics Committee in DCU in relation to this project and this necessarily required approval of the intended areas of questioning to be used (copy of letter confirming ethical approval attached at Appendix D). Beyond the structural planning aspects of data collection, ethical decisions around confidentiality in a smaller firm needed to be addressed at the write-up stage. Sensitivity to the manner in which interviewees' quotations were labelled required that a balance be found between the more descriptive but easily identifiable labels and the more anonymous and less-illustrative labels that might be used.

3.8 Limitations

All qualitative research should be situated in a context which acknowledges factors such as time and place. The timing of this research is a factor that may impact on the data collected. The intensive data collection aspects of this study were completed in the Irish hotel sector between 2015 and 2017, and it is clear that the potential sample of hotels to draw from was already diminished as a result of the effects of the financial and economic downturn from 2008-2014. Hotels that had not been performing well were less likely to have remained in independent ownership and operation and therefore it is recognised that potentially different hotels might have been selected had this research been conducted before the economic

downturn had impacted the sector. To a greater or lesser degree, therefore, the smaller hotels that formed the cases for this research could be described as successful, and it is recognised that an examination of HR practices in other settings could have provided alternative insights.

As an alternative to a case study, an ethnographic approach could potentially have offered a deeper insight into some aspects under investigation, such as the consumer interface for example. However time and access considerations made this a less viable option in reality. Other options within a case could also have been chosen. For example, engagement with additional interviewees in each setting for a shorter discussion might have been possible but it was felt that fewer interviewees with greater depth offered more potential to address the research objectives. In the event, the researcher was satisfied that an adequate level of data saturation was identified within cases.

3.9 Summary

This chapter has provided an overview of the methodological choices taken in the context of the research study. It is hoped that the choices made and the approach taken in the study have provided the basis for an authentic insight into the reality of HR practice in a smaller firm context and contributes to research output that is plausible and persuasive Tracy **(**2010). The next chapter presents the findings from this research before a discussion of these findings is provided in chapter 5.

Chapter 4 – Findings

4.0 Introduction

This chapter presents the findings from five case small firm studies conducted in the hotel sector in Ireland. The hotels studied ranged from three-star to five-star in terms of the quality rating. (An overview of the case hotels is included at Appendix E.) Each case is presented separately commencing with an introduction to the case background. Reflecting the stated research objectives, and supportive of a contextual view of SMEs (Harney and Dundon, 2006), an exploration of the role of any formal HR policies and established HR practice evidenced in the five case studies is outlined first. This is presented under the functional headings of recruitment and selection, performance and reward, training and development, and employee voice.

An overview of HR practice in each case hotel is provided in tables 4.1, 4.3, 4.5, 4.7 and 4.9. The development of these tables reflects a functional review of HR which mirrors both the HR practitioner experience of the researcher and is also broadly similar to the approach previously taken by Cassell et al., (2002), Kotey and Sheridan (2004), Samnani et al., (2013) and Tsai (2010). The broad headings of recruitment and selection, performance and reward, training and development and employee voice were further supplemented with a section on documentation. The inclusion of this section provides an opportunity to reflect on key documentation in place and acts as a significant indicator of the level of formality in each case setting.

Following this an overview of identified contextual determinants in each case is provided in tables 4.2, 4.4, 4.6, 4.8 and 4.10. These tables were developed from existing contributions within the combined HRM and services literature. Specifically, the contextual elements included draw heavily on the structural variables highlighted in the work of Edwards et al (2006). Two additional headings of ownership and customer influence were included to reflect clear themes identified in each of the hotel settings, while also offering a stakeholder perspective similar to that provided by Jackson et al. (2014). Thereafter employee and employer outcomes are presented before finally concluding with a summary of the key themes identified in each case.

In terms of presenting the findings it is significant to note that the distinction between employee and manager was not found to be consistently denominated by job designations, with titles of supervisor/manager often reflecting similar tasks in different hotel settings. For example, 'Accommodation Manager' versus 'Accommodation Supervisor' or in different establishments 'Duty Manager' and 'Food and Beverage Supervisor' might be identified as having similar responsibilities, For the purpose of this research and given the smaller size of hotels being studied, the following classification was adopted. The general manager (GM) of the hotel and those who reported directly to the GM were classified as manager level. The term *employee* was used to describe staff who were more than one level below the GM. In all but one of the hotels studied, the position of general manager was part of the structure. For the remaining Hotel (3starTown) the term employee was used to describe staff who were more than one level below the owner-manager.

4.1 3starCity

4.1.1 Background/case outline

3StarCity is a three-star hotel located in an urban setting in Ireland. It is family owned, with the second generation family currently involved in the operation of the business. Originally operated as a guest house, the current generation has developed it into a three-star hotel over the past 20 years, currently employing approximately 40 staff. Entering the compact and somewhat functional foyer of this hotel, a one-person reception desk is the main focus of the area into which the guest first arrives. No space is wasted in this area and the layout and character of the public area at once announces that this is far from a modern purpose-built hotel, but rather a building that has been transformed over time to serve its current purpose.

The management structure of the hotel includes a general manager (GM) reporting into the owner with a combination of managers and/or supervisors in place in each functional area within the hotel. The GM has significant responsibility for the operation of the hotel and it is clear that the owner and GM work very closely together, physically sharing an office and often interchanging responsibilities. The owner humorously reflected that they were like "*yin and yang and I'm the nice cuddly fellow and [the GM] would chop their heads off"* (Owner). There is no evidence of the authority of the GM being undermined in any way by the owner's input and staff clearly recognise and respect her authority. Additionally, there is a clear respect for the GM because she has worked her way up from an entry-level position in the hotel and this means that the GM is familiar with every role in the business. Employees reflect that the reporting lines are either to the GM or the owner on an equal (and interchangeable) basis.

While the general manager has designated responsibility for HR matters, there are examples of the owner being involved occasionally in recruitment, performance feedback, or disciplinary activities particularly for managerial/supervisory positions and other roles such as reception which may be considered as high-impact roles within a services setting. Frontline managers e.g. the bar/restaurant manager also contribute to the ongoing HR duties including recruitment, selection and induction, monitoring probation and employee performance, and training for their own staff reports. In this sense HR is both the remit of the management team but also delegated to employees, reflective of the significance of the customer encounter.

4.1.2 HR Practice

Irrespective of the specific label and level of formality, all organisations need to conduct key tasks related to the management of people (Samnani and Singh, 2013). In order to capture these, this section will present a review of the HR practice in place under the four broad functional areas of Recruitment and Selection, Performance and Reward, Training and Development, and Employee Voice. Drawing on data collected from both management and employee interviews, offers a more rounded sense of the reality of HR practice in operation.

4.1.2.1 Recruitment and Selection

There was no formal policy for Recruitment and Selection at 3starCity and this is reflective of the approach to HR policy generally, with the owner noting that *"I don't understand how a policy would even work".* Recruitment sources typically used include the JobsIreland website[5], jobs.ie, speculative CVs or a small advert in the local paper for positions such as bar staff. Occasionally, networking is the source of job candidates, as was the case for the recent recruitment of a number of housekeeping staff. This approach has reinforced a distinction with non-nationals taking up back-of-house functions (which are typically less reliant on a high standard of spoken English), while customer facing roles are predominantly staffed with Irish nationals. Applicants for vacant positions are typically interviewed and thereafter a work trial is the most frequently used method of assessing suitability. In addition to assessing capability via the work trial, there is also a probation period of two months. There is evidence that probationary periods are actively monitored and where appropriate a performance discussion or the termination of a contract can be the means to ensure that new employees are a good fit for the hotel.

The owner is not involved in all selection decisions, but continues to retain an input to recruitment for perceived high-impact positions such as reception, management roles and for chefs. The chef would be responsible for recruiting kitchen porters etc. and similarly other functional areas would take responsibility for the recruitment of more junior staff in their area. This approach is clearly endorsed by the owner in the comment: "*Isn't it better that the chef picks the person he likes because he's going to be counting on them" (Owner).*

[5] JobsIreland.ie is the Public Employment Service of the Department of Social Protection which offers a free job advertising service to employers and enables job seekers to search for jobs and to create a profile to match their skills and experience with available jobs.

Despite the smaller size of the hotel, this practice further reflects an approach where HR is seen to be delegated along functional lines.

While the benefits of a good personality were referred to this was tempered by further preferences of the owner: *"well, we have tried to hire people that at interview are bubbly and smiley and all that…but I mean, the Irish hotel industry is being populated, staffed by foreigners so .....I mean, we try to hire Irish people here" (Owner).* The requirement to smile is communicated to all new staff, including being documented in the contract documents given to new staff.

The induction arrangements vary depending on the functional area that the employee joins, with an example given that the receptionist needs a very detailed tour of the premises, whereas the kitchen porter does not. Typically, the manager of the respective functional area will show the new employee around and a combination of co-workers and the supervisor will ensure that the employee knows how to complete the tasks required. Job descriptions are in place for all positions.

Reflective of the smaller business environment, internal promotion opportunities are necessarily limited due to the size of the hotel. While there is no formal policy on internal promotion, there is strong evidence of internal promotion in operation, with almost all the existing managers having commenced work as receptionists. The GM also commenced work in an entry-level role and has progressed over time to the current position. This provides motivation for many junior staff in terms of the career progression that may be possible. A recently joined employee commented: *"I would really like the opportunity to stay here and work as a manager" (Frontline Employee 6).* There is a recognition too from management of the benefit of having managerial staff who have experience of doing frontline roles in the hotel: *"I was just training people to the roles I was doing myself before and so I know every corner and it also helps because I can replace everyone here apart from the chef" (General Manager).*

4.1.2.2 Performance and Reward

Performance is not formally measured but there are many examples mentioned by employees of informal chats between the owner and staff covering areas such as employee satisfaction, motivation or performance. These interactions can sometimes be paternal in style, with the owner taking a genuine interest in the employee's career development. There is evidence of regular and ongoing feedback given by supervisors and managers to employees on their

performance and this reinforces the standards of work required within the hotel. This feedback would seem to be a normal and ongoing part of the work environment:

> *"so if somebody does something wrong, you must tell him he has done it wrong so the next time he can do it right, so but doesn't reflect that on a later connection between us" (Supervisor (back-of-house).*

This more informal approach to feedback was similarly used by the GM:

> *"I usually collect the feedback from the superiors of various departments and ask how are they doing and then they will be advised to take that person and just chat to her and to try to improve the performance and whatever else. If that works, that works. If it doesn't work, then I step in and we have a little chat. Yeah, and then they're getting better" (General Manager).*

Tripadvisor reviews are considered part of the overall feedback mechanism and there is evidence from the owner that they are occasionally used as the basis of feedback to employees. As an example, he cited the case of a frontline employee who is efficient at her work but not overly friendly in demeanour. He took her aside and gave feedback in an advisory manner as she had been specifically named in the reviews. In his words he said to her *"[x] these reviews are killing you" (Owner).* The expectations regarding the customer interface were further summarised by the owner to this employee as follows:

> *"I don't care how you treat me," I said, "They are the people who are paying your wages, not me. Now, you got to be nice to them. You got to put on a show…."I didn't tell her to smile. I told her, "You <u>have to</u> smile" (Owner).*

Entry-level staff are paid at the minimum wage (or marginally above the minimum wage). In addition to wages, employees receive their food and are paid for breaks during the working day. A uniform is also being introduced and this is generally welcomed by staff. Staff recognise that being paid for breaks is not the norm in the industry. There is a bonus at Christmas, paid to longer-serving staff and this is at the discretion of the owner rather than being related to any specific performance targets. Frontline staff also benefit from tips on a daily basis and reception staff exclusively earn commission on tours sold to customers. There is an *employee-of-the-month* scheme that gives recognition to the staff member nominated with the employee also receiving a €50 voucher.

With respect to intrinsic rewards, staff are regularly recognised with a simple thank-you for

doing things well and there is evidence that management understands the merit of this type of recognition. The GM reflected this in the comment: *"and he [food and beverage employee] definitely enjoys the fact that he has been acknowledged by other senior staff members as a very good and trustworthy person" (GM)*. This form of recognition is also noted by employees with one employee commenting: *"I got some praise for that from [x] and [x] which was pretty cool. Yeah" (Frontline Employee 6).* Overall, there is a developmental and progressive approach taken to rewarding performance.

Part of this emphasis on rewards stems from an awareness of the challenges of working within a service environment. The owner commented that he was "*appreciative of the people that work here, you know, particularly at the night-time and weekends" (Owner).* There is recognition also from the GM that "*we have a good team" (General Manager).* However, some employees are not convinced that senior management know how hard the employees work. It is the view that work effort and performance might be appreciated at the level of their own supervisor but possibly not at the level of the GM or the owner. This emphasises the importance of proximity to line managers in fully understanding employee experiences of work (Harney and Jordan, 2008). Staff who have worked in other hotels seem to feel valued at 3StarCity when compared to arrangements with previous employers. But there was evidence from one staff member that they did not feel valued, either because of their role in the hotel or because they are not likely to stay in Ireland in the longer term: "*I don't matter…Yes. I'm going back home so I don't matter" (Employee, back-of-house 5).*

There is evidence of employees being afforded autonomy in the way in which they perform their duties. In some areas employees feel trusted to do their work correctly with limited supervision or checking as an employee from housekeeping commented: *"No. Even my manager, she knows I'm responsible at my job so no point in checking" (Supervisor, back-of-house).* But this may be an individual arrangement, as some employees in the housekeeping area confirmed that the standards required for their work are very clear and that their work is always checked: *"Yes, there is the standard…..[X] always checks" (Employee, back-of-house 5).* This highlights some prospective tensions or inconsistencies in HR styles and application.

4.1.2.3 Training and Development

On-the-job training is provided for all positions within the hotel. Training in areas such as manual handling is provided internally by one of the managers who holds a relevant qualification. External training providers are typically not used. Many of the managers hold qualifications in the area of hotel management, but the majority of employees in this hotel typically don't have sector-specific qualifications. New employees are normally trained by the supervisor in the functional area they join, with a new employee on reception reporting that she received two weeks of on-the-job training when she joined the hotel, prior to taking responsibility for reception on a full work shift. This on-the-job training is reflective both of the role of functional managers and the importance of ensuring customer-service interactions meet expectations.

In the absence of a formal performance management system there is no systematic approach to identifying training needs but there is an ongoing monitoring of employees' performance by the general manager in conjunction with the relevant supervisors. Training deficits identified in this way are addressed with additional internal training if required. An example was given of the general manager providing brief training for a member of staff on reception where a deficit in skills was noted. There is evidence too that employees' personal development is supported through opportunities to take on increased responsibility and in this way basic succession planning is facilitated in informal ways. An example was given of a more junior food and beverage employee being given sole responsibility for breakfast service while other staff were on leave, with only the general manager available to him for second-line support if needed.

4.1.2.4 Employee voice

Employee relations within the hotel are positive in nature with respect being at the core of how employees are treated. Employees seem to recognise and value this. There is no recognised trade union in place which reflects the owner's philosophy in relation to unions: *"larger companies that have unions, strong unions, demarcation lines and eventually they knot themselves up because, you know, because it doesn't lead to the smooth running of places" (Owner).* There was no evidence of any reported disputes between management and employees. Although normal disciplinary issues will arise from time to time, the manner in which they are dealt with is almost paternal. An example of this was where a verbal warning was being issued to a member of staff, and the manner in which this was done was non-

confrontational. It was framed in the context of: *"I appreciate the situation that you might have been in at that time, but …" (Owner).*

"But I reprimanded him in that way, you know what I mean? "Think about your future. Are you sure you want to be here? We'll still have to give you a verbal warning because the other employees have to see that we're giving you a verbal warning" (Owner).

Working relationships are generally good and it is interesting that there are even some examples of employees who had chosen to leave the hotel and who then opted to return within a relatively short time. The positive employee relations environment may be assisted in part by a very coordinated approach from the owner and GM in terms of managing employees. This is likely furthered by the prospect of internal promotions, which (by definition of size) will not be plentiful, yet evidence proves to be possible.

Communications in the hotel seem to be good overall and this is reflected by the following employee's comment: *"But the communication between [the owner] and us and [the GM] and us, they're at a really nice level" (Supervisor (back-of-house)).* The owner acknowledges the importance of communication in managing people: *"I think that if you respect them and communicate with them, and it's just basic stuff" (Owner).* Although, management recognise that there is scope for more frequent formalised staff briefings, the logistics of different staff rosters don't easily facilitate this as is reflected in the owner's comment: *"but as regards sitting them down, we don't do it often enough" (Owner).*

Some employees reported that there could be more communication in certain instances. There was evidence of some consultation regarding plans for developments within the hotel such as the renovation of the bar area. But there was also feedback that employees in one functional area perceived that they were not kept fully informed about future changes in the hotel. This was attributed to a deficit in communication from their immediate supervisor, who may not have perceived that the information was important.

Employees reported that suggestions for improvement would be listened to and implemented if appropriate. An example was given of a supervisor suggesting that a coffee menu should be introduced: "*And she said, "Oh, it would be nice when we finish lunch just to put something that advertises our selection of coffees and desserts," so I said, "Well, good idea. Just go ahead, design it and have it printed" and as far as I know, we should get it delivered before the end of this week" (General Manager).* But it was also noted by some employees that they would not see it as their place to make suggestions, as they would perceive that this

is a role for their supervisor or manager: "*I don't like to do that*" and suggested that "*the supervisor I think, that's the only one, yeah" (Employee 5, back-of-house)* who gives feedback to the owner or the GM.

There is plenty of evidence that staff have significant input to the rosters when they are being prepared and many employees reported that you can indicate when you want or don't want to work and it is usually not a problem. In some areas the staff themselves construct the rosters and this is formally acknowledged by the GM who commented that "*the girls are basically writing rosters themselves on the accommodation side" (General Manager).* This type of flexibility is not offered as an incentive or a reward but is more a reflection of how things are managed in the hotel. Staff report that everyone gets what they want from this system. Additionally, staff are often given the option to work extra hours when it is busy, but employees report that there is no pressure exerted or no blame attributed if they decline additional work:

> *"Well, sometimes they call me, "Do you want an extra hour?" Of course. "Do you want an extra day?" If I can, I say yes, but if I say no, nobody blames me, yeah, you know" (Supervisor (back-of-house)).*

Overall, relations between employer and employees in this hotel are positive and seem to exhibit an atmosphere that is supportive of employees. In the absence of a trade union both parties seem to have achieved a natural order without resorting to formal negotiations. Established expectations are communicated via the contract of employment and are passed on and reinforced in the day-to-day interactions and via role modelling by the owner and GM particularly.

4.1.3 Summary of HR Practice

By way of summary, Table 4.1 below captures the details of HR practice at 3StarCity. It is clear there is a very limited set of formal HR policies in place. While there is evidence of some variance within the operation of HR practice (e.g. induction) nevertheless identifiable and fairly consistent HR practice is established across a number of key areas. As such, the operation of HR though informal is not entirely ad-hoc in nature. Pragmatic approaches seem to dominate with examples of work trials and actively monitored probation periods used consistently at selection stage. In the absence of a formal performance management policy there are plenty of opportunities for less formal appraisal and regular feedback on performance seems to be the norm. Overall, the lack of formal HR policies in evidence in

this hotel environment is in line with the broad consensus of existing literature which indicates that informality typically dominates in SMEs (Bacon and Hoque, 2005; Marlow et al., 2010).

Off-the-job training is not typical here, but a very experienced GM ensures that any gaps in operational skills or knowledge can be addressed by the relevant supervisor or, ultimately, by the GM herself. However, a combined approach of internal promotion together with an almost exclusive in-house and on-the-job preference for training/staff development may mean that identifiable skill deficits within the team are more difficult to remedy. The owner's identification of a weakness in business development within the senior management team may be a case in point. He reflects that the GM "*is fantastic but not perfect. I'm confident but I'm not perfect either…. I haven't really tried to get, to hire a business development manager or that kind of thing, you know" (Owner).*

There is little evidence of any widespread employee discontent. Reward levels are not the subject of conflict or dissatisfaction, with employees recognising that payment rates are approximately equal, or perhaps slightly above, other hotels in the area. Employees are paid fairly for their hours of work and some elements such as paid breaks are notable additions to the reward package and are appreciated by employees. Additional elements around recognition such as Employee-of-the-month schemes, employee input to rosters and generally positive communications point towards a progressive approach to HR.

Overall, employee relations in this hotel could be described as displaying a very unitarist approach with evidence of employees feeling that they are a key part of the hotel's team. A team spirit is in evidence. While it is clear that employees are expected to work hard, an atmosphere of respect makes this a desirable place to work. The employees here demonstrate a clear respect for the GM and this centres around the fact that this manager has been promoted internally to her current position. Strong evidence of internal promotions in the hotel may provide newly appointed staff with a potential career path. This, combined with good working conditions, most likely contributes to a lower rate of employee turnover which has clear benefits for the hotel in terms of continuity of operation and reduced recruitment and training activity costs.

Table 4.1: Overview of HR Practice in 3starCity

HR Area	Policy in Place	Comment
Recruitment and Selection		
Recruitment and Selection	No	Word-of-mouth utilised: Trial as a means of selection; Internal promotion encouraged. Active monitoring of probation.
Equal Opportunities	Yes *	-
Induction	No	Variable arrangements depending on role/area.
Probation	Yes	Included in contract and consistently monitored. Informal input of co-workers.
Performance and Reward		
Internal promotion	Yes *	Many examples.
Performance Management/ Appraisal	No	Ongoing informal feedback via paternalistic style of management of owner. Social media monitored.
Reward above minimum wage (entry level roles)	No	Not for entry-level positions.
Uniforms and meals provided	Yes	Meals provided and uniforms currently being introduced.
Staff bonus	Informal	Christmas bonus (non-contractual) for longer serving staff; not target driven.
Management bonus	No	-
Gratuities to all	No	Staff manage the distribution of tips.
Additional reward elements	Yes	Yes, (e.g. staff paid for work breaks; Employee-of-the-Month scheme; Commission earned on tours sold; Christmas party etc.).
Established structure for pay increases	No	-
Time off in lieu of hours worked	No	-
Training and Development		
Training	No	Exclusively internally provided.
Employee Voice		
Grievance and Disciplinary	Yes *	-
Communication	Informal	Some good examples of two-way communication but not consistent at every level within the organisation. Employees agree own work rosters.
Trade Union recognised	No	-
Documentation		
Contract/Statement of terms and conditions	Yes	-
Staff Handbook	No	Key policies included in contract.
Job Descriptions	Yes	-
Employee Safety Handbook	Yes	Available at reception for employees to view.

* established practice rather than written policy

4.1.4 Determinants: A contextual review

Reflecting on why these practices exist and operate as they do at 3StarCity requires a closer examination of the context within which the business operates. Exploring this systematically enables us to get a sense of how key determinants have influenced the development of HR practices. Building on previous research by Edwards et al., (2006), this study seeks to present an integrated perspective which moves beyond an exclusive focus on external (e.g. Rainnie, 1989) or internal dimensions (e.g. Goss, 1991). Selecting similar size SME cases from a single sector allows exploration while holding the sectoral setting constant (Tsai, 2010). Moreover, it facilitates a more systematic investigation than previously afforded in multi-sector studies (e.g. Harney and Dundon, 2006) thereby providing the basis to more fully examine determinants relevant within a particular services environment (see section 2.11).

4.1.4.1 Product and Labour Market

The market focus for this hotel has changed gradually. The hotel's location within a city centre means that it has benefitted from a consistently strong market for accommodation. The hotel has opted to focus on this segment of the business (see table 4.2 below). It no longer offers a function room with facilities for parties and events and this is noted by the owner as being more compatible with a satisfied customer in terms of accommodation provision. Additionally, societal changes, impacting the hospitality sector generally, mean that over recent years the local bar trade has decreased as a proportion of the overall business. As a result, unsocial working hours may be less of a feature in this hotel. Although the central location has limited the worst impacts of the economic recession to some degree, it was noted that the hotel's plans for development and expansion were put on hold and these are only gradually being re-established. Overall, there is no evidence that the recession resulted in any direct changes in the nature of HR practice in the hotel.

There is no evidence that current labour market conditions constrain the operation of the hotel and a review of recruitment practices does not identify any notable challenges in filling vacancies. There was a general consensus by the owner and the general manager that the city environment provides a ready source of employees, both full-time and part-time. The proximity to a third-level college and the central location of the hotel result in a reliance on a local workforce, and travel is not a limiting factor in attracting or retaining staff.

4.1.4.2 Strategy and Strategic Choice

As 3StarCity is located within a city environment the market for hotels is competitive, and the market for accommodation is particularly strong. The hotel has expanded its facility to focus on the accommodation aspect of the business. Strong growth is evident and the owner reflects that location is a key factor in this. As a result *"the debt level is really low"* and the hotel is *"looking to expand* further" *(Owner).*

While the business has a clear direction in terms of development and further expansion, the business goals could be described as "loose" as they are not strictly time-bound. Additional room capacity has been identified via the purchase of apartments in the immediate vicinity of the hotel. However, the owner is realistic that perhaps more could be achieved with the possible addition of a business development role to the senior staff team. Additionally, it is notable that the overall business goals are not cascaded down to form operational goals for staff at managerial level, and reward structures do not reflect a direct focus on this type of performance. In the absence of formal goals for managerial staff, the alignment of the business is maintained by other means such as the informal communication that is a core part of the management style and the established sense of team working which exists. In this instance there is evidence that the owner and GM together provide an integrated form of ongoing monitoring of managers and other employees to ensure that the business achieves its longer-term goals. Overall, there is clear evidence of strategic choice in terms of market segment focus and therefore this business could not be described as being simply reactive.

4.1.4.3 Customer influence

There is evidence that work standards are established and reinforced regularly in normal day- to-day interactions between managers and other employees. This type of interaction is enabled and enhanced by the customer service context in which they operate:

> *" that's how we improve because it's really important, customer opinion, so we take that really seriously so if five people say the same thing, So something's wrong. We must fix it" (Supervisor (back-of-house)).*

The service environment is clearly influenced by customers' expectations. Previous research by Ariffin and Maghzi (2012) has shown that the star-rating of the hotel is one factor that directly influences customer expectations. Given that the focus in this hotel is on accommodation, it is acknowledged by management that the important reputation is with the non-local customer. As a result the influences of social media sites such as Tripadvisor or

Booking.com are particularly important for potential customers and there is an ongoing desire by management to achieve an increase in the overall rating of the hotel on such sites.

Social media sites provide a source of electronic word-of-mouth (eWom) and this, despite its weaknesses, can be taken as a reasonable indicator of customer satisfaction levels. Previous customers' comments can be a salient influence on potential customers in terms of purchasing choices and expectations. There is evidence in this hotel that these expectations drive service standards and consequently impact on the work practices that become established. Employees reflect that the requirement to smile is well understood and accepted as an important and ongoing part of a role in hospitality: *"We are working here so we must be nice to [the guests]" especially if something is wrong because I go over there and I must confront with them, so I must be nice. And even if something is wrong, if I'm in the good mood, they can feel that and they almost forget about the problem, so it's really important" (Supervisor, back-of-house).*

"All the time. I am smiling all the time, yeah" (Employee 5, back-of-house).

In this way employees (in a service environment) are directly impacted by the customer on an ongoing basis. One employee admitted *"I like seeing those nice reviews on TripAdvisor but sometimes people threaten with that and I'm like, "Please don't do that. That's terrifying" (Frontline Employee 6).* There was evidence that this employee offered to adjust her service to satisfy the customer and so the potential of a negative customer review can be seen to have immediate consequences for employee behaviour and performance. Here the intertwining of customer influence and the real-time and transparent feedback of social media serve to shape expectations and behaviour.

4.1.4.4 Owner and family influence

The owner is on site daily but has considerably reduced his working hours in the business in recent years from an excessive level to what might be considered a "normal" working week. From an operational perspective there is evidence of sharing control with the general manager (GM) as previously indicated. The GM position was created within the past ten years as the business has grown. In this way the owner is not the sole influence in how things are managed and staff in general refer to reporting interchangeably to either the owner or the GM, as evidenced in the discussion of HR practice around areas such as recruitment and managing performance. In keeping with this approach it was notable that the owner initially

acted as *gatekeeper* for the research interviews conducted as part of this study, but this role was subsequently transferred to the GM.

With the exception of one family member who works in the hotel on two mornings per week, other family members are not directly involved in the operation of the business on a regular basis and so internal promotional opportunities are not restricted as a result. There were occasional references to the owner's wife visiting the premises. It was noted that she might be directly involved in decisions while developmental works were in progress. At other times she is not involved in the normal functions of the hotel. However, while she is not an employee, it is clear that her potential influence does not go unnoticed by employees: *"Not that she'd ever say anything to you, but … she has been a general manager of a hotel as well, so … she sees the same as what we see when we're looking at something, so she's not like a normal wife that comes into the place. She sees, she can sit here and look" (Restaurant/Bar Manager).* This highlights the subtle but potential impact of extended family involvement which is amplified in an SME setting.

The owner is pragmatic about his own weaknesses also and the impact that this may have on the business. As an example, he referred to the fact that they have a city hotel with parking and while this is almost unique, it is probably not promoted sufficiently in marketing terms. He identified this as a personal weakness, and something not addressed due to the absence of a designated marketing specialist

4.1.4.5 Management Style

The style of management exhibited by the owner is hands-on but nevertheless is very relaxed and informal. There is a clear trust established between the owner and the many long-serving staff in the hotel, including the GM. It is clear that the owner is happy to delegate responsibility and trusts managers and supervisor staff in key areas such as recruitment. This trust is reciprocated in their commitment to the business. Managers and supervisors reported the confidence and authority to make decisions on the spot as required. In some cases they referred to it being their own decision but that they felt it would also be in line with the owner's preference.

The owner is supportive of staff and there is evidence that he genuinely cares about employees and often advises and coaches them appropriately, with a key focus on individual

employee needs and career options. These interactions are almost paternalistic in style with the owner advising the employees how best to develop their careers, even if this is outside of their existing role in the hotel:

> *"There's a whole world out there. What are you doing? You can't do this forever," you know" (Owner).*

Employees also report that they are treated well. There is evidence that staff feel they are treated with respect. Even where things go wrong *"they never scream at us, they never, you know, yell at us or raise their voice or something" (Supervisor (back-of-house)).* Additionally, the approach to employee remuneration is considered to be very fair with one employee commenting that *"they treat us good so I have nothing to complain [about]"* and *"they never, you know, make us feel, like, any pressure, like, that kind of thing" (Supervisor (back-of-house)).* Both the owner and the GM referred to the culture of working excessively long hours in the past but this is no longer the norm for either employees or management in this hotel. As such the working conditions reflect a very conscious choice on the part of the owner and GM with the former stating that *"we want people to work between 40 and 45 hours a week and they largely set their rosters themselves. They get paid for every hour they work" (Owner).*

Both managers and employees report that a sense of team is well established within this hotel which reflects a camaraderie among staff and a willingness of managers and other employees to work together to meet operational requirements. The GM reflected that "*It doesn't matter which employee will ask you to do something. If they …say, "Oh my God. We are so busy today with cleaning rooms," then [x] will go, I will go, [x] will go, …… we will do equally the jobs that they are doing,"(General Manager).* A similar view was echoed by employees: *"it kind of is like a team. I think everybody really does make an effort …. but there definitely is, like, a sense of teamwork, yeah" (Frontline Employee 6).* This is further emphasised by the GM:

> *"and what we have here that I can proudly say I don't think other places have, we are all very friendly towards each other. There is no manager here that would take a pleasure in showing that he is a manager" (General Manager).*

But there is some evidence that different groups still exist within the team. This seems to have become established by functional area and more noticeably where a number of non-nationals are working in the same functional area. This may reflect the impact of significant

networking on recruitment practices in certain functional areas such as housekeeping:

> *"We all get on to a certain extent but there's some of us that would socialise with each other and there's some of us that wouldn't…. They [housekeeping], most of them don't even go to the Christmas party" (Bar/Restaurant Manager).*

Employees report that there is a definite sense of family in existence. In the words of one employee: *"everybody is, you know, all friends here. So we're like one big family. Everybody is nice with everybody, so yeah" Supervisor (back-of-house).* Following from this sense of family there is an understanding that mutual assistance may be relied upon:

> *"Always, whatever I ask or they ask me, I am never going to say, "No" or something…" (Supervisor, back-of-house).*

> *"because everyone is willing to step in for you today because they know, "OK, you will step in for me tomorrow" (General Manager).*

It is clear too that there is a realism to what a sense of family feels like and a particular recognition that family doesn't mean that there are no differences, but it is a longer term relationship which is strong enough to survive despite these differences. This was summed up nicely by the owner when he commented: *"Well, again, I heard secondhand from somebody else, [an employee] said, "It's like family here." He's here ten years, like. Now, like family, I'd love to kill him sometimes, you know what I mean? … That's how it works" (Owner).*

4.1.4.6 Rules and Routine

The lack of formal policies as identified in this case is by no means unique in a smaller business setting. The task of translating organisational goals into operational focus is achieved on an ongoing basis jointly by the owner and the GM. Due to their direct involvement in the business, coupled with delegation to specific functional supervisors (e.g. on-the-job training and aspects of selection) the necessity to have formalised rules is considerably lessened. This provides a reasonable level of consistency in terms of how staff are managed. It also hints at the way in which formalisation and owner involvement may overlap and act in mutually reinforcing ways.

Despite the lack of formalisation in some areas of practice it is interesting that a customer service ethos, which is manifest in the expectation that staff will smile at customers, is communicated formally and reinforced informally. This expectation is clearly communicated from the start of the employment relationship and from an employee perspective it was noted that: *"We have that on the contract so …always smile and be nice" (Employee 3, back-of-house).* Evidence from employees is that the supervisor will remind staff to smile on occasion. This was reflected by one employee as: *"When you're not smiling, the supervisor will tell you, "Smile, smile" (Employee 3, back-of-house).*

4.1.4.7 Resources

It is interesting that this hotel is not networked with organisations such as the Irish Hotel Federation (IHF) or the Irish SME Association (ISME) for example, but there is evidence of some networking via personal contacts being utilised in the case of recruitment. Additionally, familial capital in terms of the input of the owner, one other family member (part-time) and the owner's wife on a more ad-hoc basis provides a source of additional expertise and advice. Furthermore, retention of key staff such as the long-established GM (who was promoted internally) provides an extensive knowledge resource for the business. Similarly, the expertise of other long-serving supervisory and management staff, most of whom have relevant qualifications benefits the business. These resources combined with careful management of the hotel, a desirable city-centre location and the current low level of debt means that financial resources are available to implement business plans. A summary of identified contextual influences is provided in table 4.2 below.

Table 4.2: Summary of contextual influences in 3starCity

Element	Details/Application/Examples
Product /Labour Market	Market segment: Accommodation. Markets served: Mid-value, non-local customer. Improved customer ratings – Growth. Reputation-conscious. City Centre: Labour supply plentiful.
Strategy	Growth/expansion
Customer Influence	Strong but not dominant, non-local. Customer feedback, especially through social media sites such as Tripadvisor and Booking.com
Ownership	Shared responsibility GM/OM Moderate level of influence. Skills
Management Style	Participative and somewhat paternalistic/developmental in nature. Moderate level of task supervision. Respect underpins relationships.
Rules	Informal in general, but formal expectations for customer service encounter e.g. surface acting/ requirement to smile explicit in contract.
Resources	Not a member of professional or formal business networks. Some evidence of networking in recruitment activity. Team, family and longevity of service.

[SME contextual elements drawn from Edwards, supplemented with service descriptors from Herzenberg et al, 1998]

4.1.5 Organisational success

It is well accepted that the focus of effective HR management is to add value to the company and to achieve organisational success. Recent literature in the area (Guest, 2017; Harney and Alkhalaf, 2021) has increasingly considered broader measures of organisational success that extend beyond the bottom line. In this section management and employees' perceptions of organisational success are outlined and these notably include occupancy rates, customer satisfaction and the hotel's ranking on social media sites.

Both managers and employees were asked to indicate what success looked like to them. In this vein it is clear that occupancy rates provide a key measure of organisational success for this hotel. This in turn reflects this hotel's strategic focus on accommodation. It is acknowledged that the location of the property is very beneficial in enabling and sustaining success.

In a service environment the influence of the customer is interwoven into all aspects of the operation with both management and other employees reporting that the priority is to make the customer happy. In the words of one employee: *"Usually it's always the customer is right. We must follow their drill and that's it. Even if they're not, we say, "Sorry" and that's it" (Supervisor, back-of-house).* Although there is an acknowledgement that the customer may not always be right, it is accepted that they must think that they are. This approach was neatly summarised as *"the customer is not always right, but you have to pretend they are" (Bar/Restaurant Manager).*

Staff seem confident that they know when a customer is satisfied. Where they arise, customer complaints are normally dealt with by a supervisor. The emphasis is to try and ensure that the customer is happy by the time they leave. This view was echoed by the owner. Occasionally, however there may be times when pleasing the customer is unrealistic but this is clearly the exception and this view was only verbalised by the most senior managers, not by any of the employees interviewed:

> *"mostly you try it, but there's some people that you just can't deal with." (Bar/Restaurant Manager)*

> *"You know, like, it's hard to deal with customers sometimes. Sometimes, with customers, like, you can't please them, do you know what I mean?" (Owner).*

Additionally, the hotel's ranking on social media sites such as Booking.com and Tripadvisor was referred to as a measure of success by the GM. This type of feedback is acknowledged as having its own limitations. For example, some customer reviews on Tripadvisor may not be genuine and may be from people who have not actually stayed at the hotel. The opportunity for customers to put a negative review on Tripadvisor was noted but despite this fact, the concept of an occasional bad review, while unwelcome, is not considered critical:

> *"that's a fundamental problem with Tripadvisor. There's loads of reviews saying that the place is lovely and spotless and clean and then Tripadvisor accepts one that says the place is filthy. Sure, it can't be, it can't be both" (Owner).*

> *"we've had complaints but every hotel gets complaints and it hasn't affected the business thankfully" (Owner).*

4.1.6 Employee and Employer Outcomes

A unique aspect of this research is not simply to consider HR and its determinants, but equally to ask both employers and employees about the outcomes arising from these practices. From the employee perspective, reported outcomes include satisfaction and enjoyment of the work itself and a sense of pride, while employer outcomes include trust, a flexible workforce to meet operational needs, an informal validation of selection decisions by employees (via co-workers input to probation), good staff retention rates and strong employee commitment. Positive outcomes for employees are likely to be even more pertinent in a service environment, having consequences for customer satisfaction and improved business performance generally.

Employees seem to recognise the benefits of working for a smaller hotel, with the managers particularly noting that they would not wish to work for a much larger hotel as they believe that staff are usually treated better in a smaller hotel. Additionally, employees typically reported that working in a service environment was appealing and that the variety that this brings to the work environment was appreciated:

> *"I couldn't work in a factory. I'd go insane. I couldn't work just doing the same thing day in, day out. Every day is different" (Bar/Restaurant Manager).*

> *"I like this job because it's not boring. You know, it's always something new, something strange, something weird. There's always something, so it's never boring. Yeah." (Supervisor, back-of-house).*

In addition to the benefit of not doing the same thing every day, many employees commented on the hotel being a nice place to work. In the words of one employee:

> *"I really like it as a place and I want to work here for as long as I can really, yeah….yeah, the longer I'm here, the more I like it. Like, I would come in early for work" (Frontline Employee 6).*

There is evidence that roles within a hotel can be pressurised at times and can require hard work physically. This is acknowledged by managers as well as employees, but there is an implicit commitment from management that the hard physical work should not be accompanied by a poor working environment. The general manager summarised this view in the following statement: *"I think that people care for this job because it's nice to work here, because you are not being stressed out by employees which is the case in other places.*

So the job is hard enough as it is. We are always saying that. That's my motto. It's hard enough as it is to wreck you physically. You don't have to be wrecked mentally" (General Manager).

There is evidence too that employees are supported by management in a circumstance where a customer is unreasonable. This was strongly referenced by the GM in the following comment

> *"if there is any problem, the receptionists at least, they don't have to take the beating. They call us. We are there to take the beating for whatever happens. They don't have to go through abuse" (General Manager).*

In managerial roles the work was reported as challenging but not as hard physically as some entry-level roles where *"they are worked hard. That's the thing. I guess it's a very hard job up there [in accommodation]" (Bar/Restaurant Manager*).

The context of services means that the additional dimension of emotional labour is a feature of all frontline roles in the hotel. This requires a range of appropriate behaviours and as a consequence has implications for management and employees in structuring expectations, in the performance of duties and, ultimately, in maintaining customer satisfaction.

There is also a clear acknowledgement from both management and employees that the smile, which is an expectation within the industry, is a requirement even when it does not reflect the feelings of the employee. The requirement to engage in the type of behaviour recognised as surface acting is noted by employees and managers:

> *"it's different when I do one job and I'm upset about something and when I see the, when I can confront with the people, I'm a completely different person. I don't know why, but it seems like I just change my face …" (Supervisor, back-of-house).*

> *"So I think it's a job that demands a smile regardless of your house trouble, just like a uniform. You are the nurse so you dress like a nurse. You are in hospitality, put the smile on" (General Manager).*

> *"Just smile anyway. Grit your teeth and smile through it." (Bar/Restaurant Manager).*

There is a recognition from management that the requirement to smile all the time can be difficult:*" so it's tough, it's tough to be nice always…" (General Manager)* and it is considered more difficult for some employees than others depending on their own personality and disposition. Individuals in both employee and management roles identified that engaging in emotional labour was not particularly difficult for them:. *"No. I like to smile so that's not a problem for me" (Employee 3, back-of-house).* In one instance an experienced employee reflected that the technique of engaging in emotional labour can be likened to a formula: *"Yeah, so it's easy, like, but some people don't get it at all, and I don't understand it."...Like, I don't know how people don't get it, like. They're tourists. All you have to ask them is what they did for the day and then they'll do the talking and you don't have to talk to them. Just ask them. Just be …Be interested in them. It's …it's a formula and it's simple. Just ask them where they were for the day and where they're going" (Bar/Restaurant Manager).*

Overall, staff report that they feel trusted to do the tasks given to them. There is evidence of management bestowing trust on an employee. An example given by the GM demonstrates the benefits to both employer and employee of trust within the work environment:

> *"so I told them they can all have a day off and "You are in charge of breakfast because I believe that you will manage" and he managed. He got the bargain of the trust. He just loved having this trust and you know from the other people that he is capable of it, and he really, and he got two brand new staff and it was only him and me just cruising and saying, 'Remember, I'm only good for cleaning the tables but you are in change' and he managed" (General Manager).*

It was noted that flexibility is a key requirement in the hotel and employees report that it would not be unusual to be asked to provide cover in another functional area within the hotel should the need arise:

> *"You could be helping the chef if he was on his own" (Bar/Restaurant Manager).*

Such arrangements although not unusual are typically short-term in nature and the flexibility is often a two-way arrangement. The manner in which work rosters are devised is a good example of this. In the words of the GM: *"They are writing those rosters so that everyone gets what he wants" (General Manager).*

The outcomes of a strong sense of team extends to providing feedback on new employees. For example, where new entrants are not seen to be working well or are trying to minimise their work effort this will be fed back to management and will be acted upon. In this way the team will not permit the established culture of hard work to be diluted by newer employees who are not like minded. This was explained pragmatically by one of the employees as follows:

> *"He must fit, he must fit with the rest of … Well, we cannot separate one person from the rest of the team. If he doesn't fit, he doesn't fit so ….. you see, it's important that everybody's happy here. When you're happy, you're working good. If you're not happy, if somebody is getting, annoying you or that person doesn't work hard, you must work after him and then that person will have double the job, so of course you can say it" (Supervisor, back-of-house).*

Longer-serving staff in the hotel were noted to have a particular commitment to the success of the business. In reflecting on this, the GM noted that many of these staff are also the people who have had experience in other hotels. The respect with which employees are treated both by management and co-workers, their long service and their relative experience in other hotel settings all contribute towards this commitment to the hotel. This was noted to result in a *"serious obligation, yeah, loyalty for sure" (Frontline Employee 6).*

> *"And you really care because you care because you kind of have created it together with [the owner] and with everyone that is involved" (General Manager).*

Employees in general report that all staff are treated equally, with only one employee voicing the opinion that the chefs are treated better than the rest of the staff.

In the provision of services within the hospitality sector it is recognised that "frontline employee performance represents a crucial component of service" (Yang 2010:609). In the context of this hotel there is evidence of employees being prepared to go beyond their roles to deliver the required service. The motivation for this is recognised by employees as being multi-faceted and includes the desire to make the customer happy and can also be a reflection of the employee's own personality, but there is evidence too that sometimes the motivation is primarily to assist the team. This type of behaviour can contribute very positively to the reputation of this hotel but it was notable that this was not stated as the key reason for engaging in this type of behaviour:

"even if I saw some older couple, that they are taking the luggage, I always ask can I help them and bring the stuff upstairs especially when there are a lot of stairs, so always something, even if they need to go, something, to the shop to buy for them something or, it's not a problem. Why not?" (Supervisor, back-of-house).

"You know this day, if you don't do it this way, it's going to be wrong the next day, it's going to be a problem for someone else the next day" (Bar/Restaurant Manager).

4.1.7 Summary of 3starCity

A strong theme in evidence in this case study is the level of mutual respect between employees and managers. There is a genuine caring and paternalistic approach in place which stems from the owner. It is clear that employees are expected to work hard in this hotel but the overarching value of respect and the experience of working for a good employer contributes to a positive work environment. This engenders long service and employee commitment to the business with the employer benefitting from the effects of low employee turnover.

It is interesting that the owner does not perceive people management as a distinct challenge, but believes that simple, normal communication is the key to good management. His formula, as applied in this environment results in a happy workforce who seem content to work hard for the benefit of the business. While formal HR policies often reflect compliance with legal requirements, HR practice in operation here reflects a more holistic approach to the management of people. This approach seems to be enabled and reinforced by a close working relationship with the general manager on one hand and a move to focus on accommodation, and relatedly less intensive work hours on the other. The strong focus on customer satisfaction is undoubtedly part of the tapestry of a smaller hotel. The evidence from this case would indicate that formal HR policies are not an antecedent to satisfied customers.

Hotel management is keenly aware of the influence of social media sites such as Tripadvisor and Booking.com on business outcomes, and performance targets for the hotel include improved social media rankings. This reflects a clear focus on customer satisfaction. While employees within the hotel are aware of the relevance of social network sites (SNS), the management approach ensures that online customer reviews are integrated with other metrics

and provide a more rounded view of performance. The outcomes for employees in this environment may be more positive as a result.

It is interesting that the requirement to smile and be nice to the customer is reported by both back-of-house and frontline employees in 3starCity. This may reflect the fact that flexible roles can be required from time to time, and so the distinction between front and back-of-house may be blurred in reality in this hotel. Equally, it could reflect the fact that a higher expectation of friendliness is often presumed in a smaller hotel setting. Regardless of the reasons, the inclusion of the requirement to smile in the contract further demonstrates the influence of the customer on the work practices in a smaller hotel.

It was also notable that there is very little reference to the requirement for downtime for employees in this hotel. The primary reliance on accommodation as the main focus of this business rather than on group functions may help to explain this, as there may be less of an employee-customer relationship established in this setting and so the need for downtime is less acutely felt by employees.

4.2 3starTown

4.2.1 Background/case outline

The cosy and traditional foyer of this three-star hotel is immediately warm and welcoming. Located in a medium-sized town in Ireland, this hotel is family owned and managed, with three family members involved on a full-time basis in its operation. The owners come from a family background in hotels and purchased the current hotel over 20 years previously. It now employs 60 staff.

This hotel does not rely on the formal hierarchical staffing structures of a general manager (GM) and a strict supporting management tier. In the absence of a GM role, supervisory staff have operational responsibility in practice. Although supervisory staff in the hotel do not have consistent managerial titles (as outlined in section 3.5.1), employees are clear on their roles and who they should approach with various queries. Employees know what is expected and the consistent presence of family members ensures there is always someone to consult with, if required:

> *"You know you'd have to go to [x], yeah, and it is known, even though there's no titles or anything like that, everyone knows what their functions are" (Employee – administration).*

As is common in SMEs, there is no dedicated HR function. Instead, the Marketing Manager takes operational responsibility for HR matters as part of a shared role but there is clear evidence that the owner is involved in the detail whenever his input may be required.

4.2.2 HR Practice

As per the methodology chapter (chapter 3) the findings are based on managerial and employee responses as well as documentary analysis. For example, while there was no written policy on training at 3starTown, evidence of the company's general approach to supporting the personal and professional development of employees could be gleaned from the staff handbook.

At 3starTown, in addition to HR policies that might be considered standard (such as grievance and disciplinary, equal opportunities policies etc.), there exists a considerable range of additional written policies in areas extending to Substance Abuse, Double

Employment, Work-Life Balance and Corporate Social policies for example. The staff handbook indicates a high level of compliance with relevant legal requirements and the hotel's commitment to ensuring best practice HR in the workplace is further validated by its accreditation as a member of the Irish Hotels Federation's (IHF) Quality Employer Programme.

4.2.2.1 Recruitment and Selection

A written Recruitment and Selection policy exists which details the various stages of selection. Vacancies are typically advertised in the hotel and in local media as well as being posted on the hotel website. Employees report interviews as the most common method of selection, with second interviews used in some cases e.g. top management/supervisors or reception roles. This may be followed by a trial period and a probationary period typically of 15 weeks. Some examples were also given of new employees joining following a period of work experience or as a result of a speculative CV being submitted. There is evidence that family connections are availed of in the recruitment process with an example given of an employee having two children who are also employed in the hotel. The owner is typically involved in the recruitment process.

Although induction might be considered informal in nature in the hotel, it follows a fairly standardised format with all new employees brought on a tour around the hotel and given information on what each room or area is used for as part of their first day. In one instance an employee described that "*the girl that I was taking over from sort of came in and showed me around and.."* with *"This is what you do and this is where you go" (Employee – administration).* People refer to new employees being guided in terms of what they need to know while the employees themselves refer to being shown "*step by step*" what needs to be done. Additionally, expectations regarding work standards are actively reinforced by supervisors with employees then being quite clear on what is expected of them. Standards regarding personal presentation and uniform are clearly outlined in the staff handbook. Interestingly, the responsibility of representing the hotel is perceived to go beyond working hours and extends working boundaries:

> *"that you have your name badge and your uniform and everything, yeah, yeah, to look smart and everything and yeah, because you would know you're representing the hotel and even outside, you know, working hours, you'd know you're representing the hotel" (Manager).*

Although there is no formal policy on internal promotion there are many examples of employees moving into supervisory roles (albeit not titled as such). It is clear that this type of progression is favoured as it was reported that: *"all my people are homegrown" ... actually the most dependable people I have are people who came in at a low level and came up through the ranks and they're still here" (Owner).* Training and opportunities to gain experience in other areas within the hotel are a regular feature and this contributes to opportunities for career progression.

4.2.2.2 Performance and Reward

It was noted that there is a range of Key Performance Indicators (KPIs) measured by hotel management on an ongoing basis. This monitoring includes occupancy rates and revenue per available room (RevPAR) among other measures, and such information contributes towards actively managing the hotel.

Although there is no formal performance appraisal system in place the owner would "check in" with staff on a regular basis to find out how they are doing, if they are happy and what their plans might be. In this way staff feel they are communicated with on an ongoing basis in a meaningful but informal way. Feedback is regularly received from management and it was recognised that this makes employees feel included and contributes towards increased motivation:

> *"And [the owner] would say it to the whole lot of us. He wouldn't just say, "[x], that was a great job, you know, your team did well." He would address everyone, you know, he would just, "That was great, lads," (Chef).*

Occasionally poor reviews might be received and these are also followed up on by management:

> *"If a bad review comes in or if a customer complains, it is followed up. He would, he would speak to you directly and see what's your version so he'll have got maybe… a complaint or some kind of feedback that wasn't good. He'll go to the staff then and see why has this happened and then there may be just a memo put up for overall awareness, just say if it was made even about the coffee shop, that all the coffee shop are aware of it, that nobody's being kind of singled out either unless it is someone's fault, so if it is a kind of a collective thing, maybe a customer felt ignored or something, then the memo would go up" (Duty Manager).*

There is evidence of a good level of feedback from customers also and employees seem to appreciate the feedback. This was summarised by one manager as follows: *"it's just nice, you know, to get the feedback and it is generally very, very good, so it's just nice to read that and to see what things do people like about the [x] Hotel, yeah" (Manager)*. Traditional forms of feedback such as comment cards are supplemented by feedback from social media such as Tripadvisor. Typically Tripadvisor reviews are printed out and placed in a folder in the staff room for staff to view and "*what we often do is just take the actual comment cards and just put them up on the board down there" (Manager).* In this way feedback from social media sites is not used in a threatening or controlling way, but comprises part of the overall feedback mechanism. Verbal feedback is also received from customers and *"many times, they would come to reception and say, "Well, thanks for helping" or "Please say thank you to {x]" or whatever … (Employee 2, back-of-house).*

Entry level staff are paid above the minimum wage and this reflects a conscious decision on the part of the owner. In addition to the basic wage, employees are provided with uniforms and meals during their working day. It was noted that: *"they would all get uniforms here. Apart from that, you know, it's the basic payroll, like, you know, you would get paid for your hours' work, you would get your holidays that are due. There's no additional benefits there really…… Oh yeah, food is provided, yeah" (Employee 4, administration).* Waiting staff also receive tips that they share among themselves and there are occasional nights out provided by the hotel, around Christmas or occasionally to mark another event.

Tips received from customers can provide evidence of customer satisfaction and while this is recognised by staff, verbal feedback alone is still considered significant. This was reflected in the words of one employee who commented: *"yeah, if they are happy, you know, they give [tips] to us sometimes. Sometimes it's just like, "Thank you very much, you were very helpful," and it's just the words, but still it's nice" (Employee 2, back-of-house).*

The owner takes responsibility for authorising the hours worked for payroll purposes with employees getting paid for exactly the hours that they work. Despite the focus on managing payroll costs there is evidence that discretionary payments are sometimes made. For example sick pay, which is not provided for in the contract of employment, has been paid to staff on sick leave on a discretionary basis. Additional discretionary elements of reward were noted by staff such as some extra money when a part-time employee was finishing employment and going to the US for the summer.

Employees reflect that they are also recognised in non-financial ways when they do something to help the business. For example, the owners would state their appreciation for staff if they come in to work on what should have been a day off and it is noted that this appreciation is not just said, but it is genuinely meant and there is follow-through in terms of returning the courtesy to staff when they need a day off, for example.

There is ample evidence that staff are valued and this was summarised succinctly by the owner in his comment: *"I have great people though" (Owner).* In addition, there are many examples quoted by employees that reflect a feeling of staff being cared for. It was noted by one employee that *"they show interest in their staff. If you ring in and you're sick, you're sick or the kids are sick, like, "Do you want us to send out dinners to you?" Do you know? It's that sort of thing. "Is there anything we can do?" So I do think that the staff are valued here" (Employee 4, administration).*

In the midst of the recession (2008-2014) it is clear that difficult choices had to be made and the employees were kept informed individually by the owner in terms of how they would be affected for example by either a reduction in wages or a reduction in hours. There is an appreciation by staff that the hotel honoured its commitment to staff during this time: *"even though the recession was going on but he would still keep the staff, you know, in the hotel, and that's great, you know" (Employee 2, back-of-house)*. Wage cuts which were implemented during this time were reversed as soon as conditions improved. This gives further credence to the perception that the employee is valued here.

4.2.2.3 Training and Development

Employees report that the hotel is very supportive of their development and this leads to them feeling valued, with one employee commenting: *"Then there was all the training that you get as well, you know, here, there are so many different things open to you that then they will advise you to go for it for your own sake, like, you highly are thought of, you know, like, yeah. You kind of, you do feel like they care, do you know, so it is nice" (Duty Manager)*. While there is evidence of a lot of on-the-job training, numerous external courses are also made available to staff. Management make efforts to ensure the staff receive as much

training as possible and they utilise many cost-efficient or free sources for this such as County Enterprise Boards, Education and Training Boards (ETBs) and Skillnet[6].

Manual handling, HACCP, CPR, First Aid, and Safepass courses were all mentioned as examples of training undertaken. In giving employees as much training as possible employees recognise that they gain transferable skills which would be of benefit to them regardless of what position they might take up in the hotel:

> *"they're always giving you opportunities to better yourself and … Like, even when I went to college, like, they said, 'Oh well, you know, if you want to work weekends, you can come back,' you know, and things like that, and that 'There's a job here for the summer for you,' and everything like that, so then I did …" (Chef).*

> *"they do train everybody up in as many areas as possible so that everybody can be utilised around the hotel that, you know, somebody who is in housekeeping is able to do restaurant as well so that maybe on a Saturday, you would put them in the restaurant instead .. it's good for them and it's good for the staff person themselves as well" (Duty Manager).*

Equally in situations where performance needs to improve, it was noted that staff may require further training:

> *"if they're not doing something right, it may be because they don't actually know, that they kind of just took for granted, they just have their own understanding of it rather than what should be done, do you know, so it is, it can be just a case of taking the person aside and just going through it with them and then it's like, "So you understand it? OK?" (Duty Manager).*

Although training needs are not formally identified through a performance appraisal process, this proactive approach to ensuring that there is a team of multiskilled staff available within the hotel provides a fully flexible staff cohort and allows the hotel to ensure that there is no wastage of employee hours.

[6] Skillnet Ireland is the national agency responsible for the promotion and facilitation of workforce learning in Ireland.

4.2.2.4 Employee voice

There is evidence of a positive employee relations climate in the hotel with a very unified opinion from staff that they are treated fairly. While there are no formal meetings with staff, there is evidence that the owner interacts in a meaningful way with employees throughout the hotel. This includes a conscious effort to know about staff and their families and what is happening in their lives. It is acknowledged that this is "*not just about work but about their stuff outside, the family, right? So I can tell you all about their families and who's got what and what they do because that makes them feel important…that's really important" (Owner).* From the owner-manager's perspective at least, this type of communication enables an individual forum for feedback on work issues that might otherwise be left unspoken about:

> *"And I would certainly say, "Look it, if you've got a problem, come on, come and talk about it, because if I have a problem, I'll tell you about it, right?" (Owner).*

There were many examples given of staff input including during the redecoration of the bar, in revising the bar food menu, and in energy efficient proposals or customer packages and rates that might be offered for the year ahead. In this way, staff are given a voice:

> *"Right, this is our menus, ideas for the next menu for the next year or the next summer or the winter or that. We're going to change them again now and what do you think we should take off and what should we put on now?" We could spend weeks .." (Chef)*

> *"so I'd often ask reception for ideas on something different, you know….but it would be like a joint decision as well, you know, so you would have a little chat about it and how is it going to work, so people would feel then that they are part of the team because they are involved in decisions, you know. It shouldn't need to be one person making the decisions, it needs to be … Yeah, although you need to have an overall say on it" (Manager).*

People report that they feel confident going to the owners with suggestions for improvement and there is evidence that appropriate suggestions are followed through:

> *"he will always consider it. Whether he goes for it in the end or not but he will always, he will take it on board, he will think about it and he will come back to you and let you know, yeah" (Duty Manager).*

In addition, it is considered the norm that employees are consulted about their rostered hours:

> *"We would never do the roster without consulting everyone to say, "Well, do you want any particular day off? Have you something coming up?" You know? We would like to think that they could, they had to have a life outside of the hotel" (Chef).*

It is clear also that there is a desire to make continual improvements in the hotel and that this extends to making changes that impact staff and not just customers:

> *"We'd always say to them, "If you have any suggestions, do say," like, you know, because we all just want to make it better. We want to make it easier for, better for, the people who work there as well, do you know?" (Duty Manager).*

There is a strong view from management that change can be achieved without confrontation and that is it always preferable to engage with employees in order to achieve your objective. A real example of engagement was evidenced when during the recession cost-saving measures in the hotel meant that employees were impacted with either a reduction in wages or a reduction in hours. These changes were communicated by the owner to each individual staff member. One employee explained how this was managed: *"Everyone was brought into the owner's office one at a time …But no, it was broken down, it was explained to every member of staff what was happening and why it was happening" (Employee 4, administration).* These changes were reversed when conditions improved. It is notable that employees did not refer to these changes negatively in any of the interviews conducted as part of this research study. The entire process was seen as fair *"And the staff can see that. They're not being exploited in any way" (Employee 4, administration).*

4.2.3 Summary of HR Practice

It is clear that the HR policies in place in 3starTown extend beyond the minimalistic requirements that are driven solely by compliance with legislative requirements. Examples from Table 4.3 below indicate that policies are formalised in the key areas including Recruitment and Selection, Equal Opportunities, Grievance and Disciplinary, and Health and Safety. These policies are documented in a comprehensive staff handbook. But as might be anticipated in a smaller hotel setting, HR practice is only partly derived from formalised policies in many cases and the philosophy of the owning family is in evidence in the nature of HR practice generally.

Overall, the approach to HR in this hotel highlights a strong commitment to skill-enhancing practices resulting in a level of flexibility and agility within the business which contributes to an efficient operation capable of responding to variable demand. A clear picture emerges of a caring employer who is perceived to be very fair in approach. The philosophical positioning of establishing pay rates for entry-level positions above the minimum wage indicates that the workforce is likely to be valued. The strength of the established relationship was clearly in evidence when difficult decisions regarding hours and wages were necessary and these were seen to be well managed during recessionary times. Furthermore, the application of HR practices would seem to be inclusive of all staff with no indication of inequalities noted by employees and this contributes to a very cohesive team in evidence in this hotel. Cross-training of employees enabling them to work across functional areas is likely to reinforce this sense of team spirit. Respect is a key theme, which is consistently evident in the interactions between employer and employees.

Table 4.3: Overview of HR Practice in 3starTown

HR Area	Policy in Place	Comment
Recruitment and Selection		
Recruitment and Selection	Yes	Interviews commonly used. Selection decisions overseen by owner.
Equal Opportunities	Yes	-
Induction	Yes	Individual induction depending on role.
Probation	Yes	Included in staff handbook.
Performance and Reward		
Internal promotion	Yes	Many examples given.
Performance Management/ Appraisal	No	Informal chats with owner to discuss a range of issues including performance.
Reward above minimum wage (entry level roles)	Yes	All entry level roles paid above minimum wage.
Uniforms and meals provided	Yes	-
Staff bonus	No	-
Management bonus	No	-
Gratuities to all	No	Staff manage the distribution of tips among themselves.
Additional reward elements	Informal	Examples - occasional social outing or Christmas party. Some additional discretionary payments and occasional discretionary sick pay provided.
Established structure for pay increases	No	Payment rates are maintained on a competitive basis above legal minimum wage.
Time off in lieu of hours worked	No	-
Training and Development		
Training	Yes	Training is embedded as the norm in this hotel, with frequent on and off-the-job training provided. Cross-functional training a feature.
Employee Voice		
Grievance and Disciplinary	Yes	-
Communication	Informal	Many informal channels with opportunities for two-way communication. Employees have regular input to decisions being made (e.g. menu changes, redecoration of bar area etc.).
Trade Union recognised	No	-
Documentation		
Contract\Statement of terms and conditions	Yes	-
Staff Handbook	Yes	Handbook includes a comprehensive set of policies, going well beyond statutory requirements.
Job Descriptions	Yes	-
Employee Safety Handbook	Yes	Safety Policy included in staff handbook.

4.2.4 Determinants: A contextual review

4.2.4.1 Product and Labour Market

As may be seen from table 4.4 below the market within which the hotel operates would be considered competitive, with an increasing number of hotels in the geographic area providing alternative choices for customers. Defining a unique selling point can be a challenge in these circumstances. The hotel has made small changes to ensure it maintains its own style and the decision to individually theme some of the bedrooms is an example of this.

There is a recognition by the owner that the market for hotels has changed in recent years. Societal changes mean that weddings, as a source of business, are reducing both in number and size and so this is seen as a declining market for the hotel. But the business has identified a good mix of different markets including family events, tourist accommodation and appropriately sized conferences, and therefore it is not overly reliant on any one segment which is considered healthy. Similar to practices in other hotels, room rates are continually monitored and adjustments made as necessary.

The recession proved a challenge to many hotels and the owner would admit that this hotel has survived primarily due to hard work. In his words: *"we are still here but just, we are here because we worked hard at being here," (Owner)*. The local labour market is not considered to be restrictive and the manner in which employees are treated seems to ensure that networking contacts by existing staff provide an additional source of recruitment. Staff turnover is consistently low with many long-serving workers employed. This is regarded as a reflection of the manner in which employees are treated.

4.2.4.2 Strategy and Strategic choice

Located within a major town the immediate geographic environment of this hotel comprises a number of competing hotels. Significantly increased room capacity in the area has resulted in substantially increased competition. This hotel provides a broad range of services but increasingly tries to avoid hen and stag parties and is less reliant on weddings as a major component of its business.

The owner is quite clear that the strategy for the hotel does not envisage a change in direction but is essentially *"more of the same".* There is a stated goal in the Staff Handbook for the hotel which is "*to exceed our customers' expectations" (Owner*). Despite this, there is no

goal of changing to a higher star-rated hotel. In the words of the owner: *"we aim to just keep on top of our game as we are and that's our strategy, right? To keep profitable, to keep a healthy mix of business, to keep our product up to scratch, to keep our people" (Owner).* This approach is indicative of a more reactionary approach which may be considered typical of smaller businesses which are more likely to follow the dictates of the market, akin to a defensive strategy (Miles and Snow, 1984). Relatedly, the absence of a structured management team means there is less opportunity for medium-term targets or goals to be discussed or rolled out via a top-down structure.

4.2.4.3 Customer influence

There is an emphasis on keeping the customer happy and the customers' evaluation is the key element driving the business and the approach. Ensuring that the customer is happy when leaving the hotel is a focus of both employees and management. Even where it is recognised that the customer is not always right it is acknowledged that the customer must be satisfied. In the words of the Chef the customer *"has to be happy and they're not always right but they like to be kept happy" (Chef)*. Furthermore, it was acknowledged that *"the main thing is that they're not leaving complaining about you, yeah, that you know, they're not leaving with a bad impression of the hotel*" (Duty Manager).

It is clear that a high level of personal interaction with the customer is very important in this hotel as reflected by the manner in which employees perform their roles. A manager commented that *"we're quite personable with customers. "Look, we'll treat you, we'll get to know you and you're important …. we engage with the customer and we'll talk to them and listen to them, rather than saying, "Hello, how are you? Here's your card," you know, and kind of we'll ask them a couple of questions" (Duty Manager*). This was reflected in other areas within the hotel:

> *"I would like a personal touch that you can meet your residents and you can chat to them," and you know, that's, they let you do that here, your own thing so …" (Chef).*

It may be considered part of the role for frontline staff in a service environment to be aware of customer satisfaction levels, but it is interesting in this hotel environment that such an awareness seems to exist almost equally in back-of-house roles. Comments from back-of-house staff reflect that *"you are aware of the customer service and that you want everyone to have a good service…..you can see it in people's eyes when they're not happy, you know*

…" (Employee 4, administration). A widely held objective is to *"be nice and friendly to a customer. That's probably the main thing you know" (Employee 2, back-of-house).* In this way, customer service is seen to be the remit of all staff, regardless of functional area.

When complaints arise after the customer visit these are followed up on by a member of management and ***"****If there was a complaint, we would, we would address it individually, yeah, we would ring them or write to them or whatever…But to be honest that hasn't happened, fingers crossed, in a long, long time" (Manager 2).*

There is evidence too that the regular customer is socially embedded and that their needs may be reflected in the level of service or interaction that they receive from staff. This does not seem to be directed by management but is simply an extension of the interaction that employees maintain with customers. Examples include employees delivering a food order to a local business nearby or alerting a family member when an elderly regular customer seemed unwell.

4.2.4.4 Owner and family influence

The owner and two other members of the owning family [owner's wife and brother] are on site daily but there is ample evidence of employees being trusted to perform their duties. There is no general manager (GM) appointed, with the hotel instead operating with a number of Duty Managers reporting to the owner. In this way the owner has a significant input in terms of how things are managed, but this is not reflected in employees or managers reporting that their roles are compromised or overly controlled by the owner. It is simply the natural order of things in this environment.

It is noted by employees that in a family hotel there is a level of involvement with the owners which makes it different and, in this case, a more positive place to work. Members of the owning family, beyond the owner, are also seen to be influential in how employees are managed. The staff rosters for example are completed by a member of the family in a very consultative manner and it is also reported by employees that there is always a member of the family around the hotel so that the Duty Manager is rarely left without someone to go to for support or direction. Overall, the relationship between the owners and employees seems to be very harmonious. Despite this, the owner would reflect that bad days are a feature of every work environment. The owner's view, cited below, that respect is the basis of the employer-employee relationship is very much reflected in the interviews conducted with

employees within the hotel:

> *"Sure, everyone hates their boss at some stage." But I think they would be respectful of us at the end of the day because a lot of people would have maybe worked elsewhere and maybe not have had as good an experience" (Owner).*

Additionally, it is acknowledged that a family-run hotel means that the customers and staff are better known to each other and this is one element that makes it different from a larger corporate hotel. The family ownership and management of the hotel makes it a personalised offering for customers. From the customers' viewpoint it is also possible to get special requests in the restaurant, for example, which may not be a feature of a group hotel:

> *"Oh yeah, it's a brand first of all, right, and it's our management style. We are very much a personalised thing," (Owner).*

4.2.4.5 Management Style

The style of management adopted by the owner is hands-on but recognised as being very fair, and firm where it is needed. Communication within the hotel is supported by effective and well-developed IT systems. This includes a modern reservations and hotel management system and other associated IT systems which provide employees with off-site access and the ability to work from home as required: *"It's all on the system as to what's coming in and what's not coming in" (Employee 4, administration).* The owner also has access to relevant current data to ensure good management of the hotel on an ongoing basis:

> *"I have live reporting on my phone. I have a Smart laptop, I'm, into the bank, I'm into roomMaster. Like, roomMaster is our property management system" (Owner).*

The owner would describe himself as micromanaging payroll, primarily because it is such a significant proportion of overall costs. Use is made of a clock-in system and timesheets and the owner acknowledges that these controls allow the hotel to operate successfully commenting that *"it's only by tight management of that that we keep the payroll under control. It's not on the rate, it's on the hours"* (Owner).

Staff report that they are treated fairly and there is evidence of flexibility in terms of rosters:

> *"from the start since I came in, like, there was always, there was never problems or anything, like, if you ever needed time off or anything, they were always obliging and would try and help you in any way that they could" (Employee back-of-house).*

There is a strong culture of caring for staff and this is recognised very clearly by many of the employees who were interviewed. There were many examples of support for staff through appropriately rostered hours where needed:

> *"Any time I had exams, she was very understanding. I think that they're very good. They look after you in that, like, if you have anything going on, they are 100% understanding of that.. They get that you might have something going on and that's, that is fine and they're very good to you while that might be going on" (Duty Manager).*

Non-frontline staff have the option of working flexible hours or working from home on occasions. This approach is clearly supported by the owner who reflected that *"they can work online or remote and all that sort of thing. We would be quite good, you know, with all the front desk systems and payroll systems and clock-in systems and all that sort of stuff, and so once the infrastructure, the good infrastructure is set up, a lot of it is easy enough too" (Owner).* Despite this for frontline and kitchen staff long hours are part of the culture, and during busy times staff accept that this is the case:

> *"they can be long hours, but then you can get short days, you know, and so summer now, you would be working long hours and things like that, but then you would get them … in the winter then you could be going home at 2 o'clock …" (Chef).*

There is evidence of teamwork being at the core of the work ethos in this hotel. Employees report that it feels like a team and there are many examples of colleagues helping each other out, both within and across functional areas. One employee reflected: *"it's what's done. It goes back to ad-hoc, but it's what's done. If you see somebody, you know, struggling, you help them out … "Is there anything I can do for you?" or, you know, even sometimes you'd be walking through at lunchtime, walking through the bar and you'd be, you can see somebody's trying to get attention and you'd go, "Can I help you?" Do you know, it could be just they're looking for sauce or they're looking for something. It's easy enough to get it" (Employee 4, administration).* The cross-functional approach was summarised by a managerial level worker as follows:

> *"We're all like one big team at times, you know, even though we all have our own little departments but they're not firmly set, separate, you know" (Manager).*

The hands-on management style of the owner is evident in his own reflection:

> *"because I expect a lot, I mean, I do an awful lot that probably some managers wouldn't do. I wouldn't ask anyone to do anything that I wouldn't do myself but I would do an awful lot, you know, and not just in terms of quantity but in terms of, I mean, if the toilets have to be done and there's no one there … I'll say some of these whiz kids managers you'd be taking out of somewhere else would turn their nose up at that sort of thing" (Owner).*

People compare the work environment to a family and there is evidence that the owners take a paternal interest in employees. This includes accepting that employees may need to take up other opportunities for example, but often with the reassurance that there will always be work for valued employees if they return. It was noted that *"it's a tight-knit group. Everybody knows everybody. It's nearly like a family, I suppose," (Employee back-of-house)* and *"they make everyone feel important in every area they work, you know, they kind of … It's like a little family, you know …. And if you have a problem kind of everyone gets involved, you know, and tries to help out as much as they can, you know" (Chef).*

Adding to the sense of family, there are many connections within the staff employed here and this may reflect the impact of networking on the recruitment process:

> *"There's just a happier atmosphere in the place. It's quite homely, I think, because it's ran by a family, do you know, and even a lot of staff here are relations as well, as in like, you know, my sister is here. A lot of people have got a brother or sister as well here" (Duty Manager).*

Employees report that the employer shows an interest in them and there is a strong view expressed by employees that *"they care about me" (Employee 2, back-of-house).* There were reports of new employees being socialised into the team by their co-workers. An example was given of arranging a social event so that a new employee, who was finding it hard to settle in, was helped to integrate better with work colleagues.

4.2.4.6 Rules and routine

In the context of a smaller business, there is extensive coverage of HR policies contained in the Staff Handbook of this hotel. Interestingly the standards for customer service are not formally included in the written documentation. Nevertheless, new employees seem to learn from co-workers in terms of what is expected in the performance of service work within this environment. The requirement to smile and be nice to the customer at all times is well accepted by employees in 3starTown with one employee describing it in the following terms:

"I'd always find time to try and be nice to the customer" (Employee, back-of-house). There is evidence that there are regular reminders to staff to ensure that they smile at the customer:

> *"[family member] will come up and she will say, "OK, everybody smile," you know. She's very good, but then as well as that, her energy kind of is infectious, do you know that way, so you know, especially if we had, if we have, like, a christening or a function even downstairs, like, "Everybody smile, everybody, we're all happy," you know, kind of thing … But like, it does, it does work because then you end up doing, going out smiling" (Duty Manager).*

4.2.4.7 Resources

Family can be seen to be a key resource for this hotel (see table 4.4 below) with employees able to approach different family members with any issues that arise**.** In addition there is also the benefit of familial capital in terms of recruitment where relatives of existing employees are referred for suitable employment opportunities. The resulting employment of a family member serves to increase commitment while the connections across functional areas serve to further strengthen the existing sense of team working.

The owner also has established strong networks through professional involvement with associations such as the Irish Hotels Federation. This forum provides for the exchange of ideas around good practice. Additionally, despite the increased competition within the local geographic area there is some evidence of social networking between hotel owners. It was noted that some hotels in the area cooperate and share business intelligence and support each other through guest referrals or the sharing of equipment when needed, and this is considered to be a healthy relationship. On some occasions two hotels would collaborate to accommodate an event such as a conference based on their combined capacity.

Table 4.4: Summary of contextual influences in 3starTown

Element	Details/Application/Examples
Product / Labour Market	Market segment: Multi-segment. Local, tourist and functions segments. Markets served: Mid-value, variable volumes. Personalised service. Reputation conscious. Good labour supply regionally. Strong staff retention. Internal labour market strong.
Strategy	Maintain current position in increasingly competitive market.
Customer Influence	Customer experience is paramount. Genuine desire to achieve customer satisfaction. Social media monitored but used as one of a number of feedback sources.
Ownership	Owner and two family members full-time in business. Family involved and embedded in operational issues
Management Style	Participative and strongly developmental. Engenders staff commitment. Moderate staff supervision with staff having autonomy to make decisions as necessary.
Rules	Comprehensive policies reflecting good practice, but not strongly rules driven.
Resources	Family and familial capital; Resources from owning family (2nd generation). Strength of team; strongly networked and benefits from professional industry contacts.

[SME contextual elements drawn from Edwards et al., 2006; supplemented with service descriptors from Herzenberg et al, 1998]

4.2.5 Organisational success

It was interesting to note that success was described by the owner as being more than just financial; he described it as being about having happy people and being able to stand over your product. He reflected that *"the staff must be happy. That would be important to me. You know, and our customers must be happy" (Owner).* This is very typical of the aims of a family business, going beyond simple financial returns (Chrisman et al., 2003). For others within the hotel, success is demonstrated by satisfied customers, repeat customers, or a new package being successfully introduced. There were many references to the part that staff play in ensuring a successful business:

> *"Well, I suppose, you would put it down to the staff that would make a hotel successful because, you know, I suppose when people come in here and they see the*

same staff the whole time, well, they must be saying, "Well, they must be doing something right, you know, they have the same staff for years and you know, they must look after their staff," you know? And people will reflect on that in a business, you know?" (Chef).

4.2.6 Employee and Employer Outcomes

Overall, the majority of employees report that work is enjoyable. Employees recognise that there are benefits to working in a smaller hotel and staff here are known by the customer and by the owner. There is clear evidence that this is valued by employees. Some staff also report that there is great variety and they are never bored, while others report that it is the people that they work with that make it an enjoyable job:

> *"from my point of view, it's friendly, it's friendly, you know what I mean, say with my bosses, it's good craic with them, like, you know, like. They're joking with us, you know, they listen to us, you know. If you have any problems, they try to help you straight away. You know, if you need days off because of something, you know, no problem at all, you know. They always just say, "Just come, tell us, we'll try and sort it out." I mean, it's friendly and helpful, definitely" (Employee 2, back-of-house).*

The Duty Manager reflected that people are the best part of the job and there is an acknowledgement also that interacting with the customer in a positive emotional manner can improve the general mood and so *"if you're kind of having a bit of fun with the customer, it kind of perks up the mood as well"*. However, it was acknowledged that employees are clear on what is expected in terms of customer encounters. Summarised by an employee *"...if you're not happy, yeah, but when you come across the customer then, it has to be a different story, in my eyes anyway"* (Employee, back-of-house). Different employees report different ways in which they deal with delivering in a service environment and there is an acknowledgement that it can be difficult to maintain a smile in all circumstances in a service environment: *"Sometimes it's very hard, you know, but you have to remember, "OK, smile, yeah, and try to be nice" (Employee 2, back-of-house).* Non-frontline staff also acknowledge that this element of the role can be difficult for those who are customer-facing:

> *"it is hard for them, but it's part of the job, you know, it mightn't be in the job description, a big smile on your face or the customer is always right but it's a given. And yes, it is tiring but they get on with it." (Employee 4, administration)*

Despite this most staff report that they don't find it particularly difficult to maintain a smile and there is evidence also that going further than a smile and being nice to people reflects the individual's own philosophy as well as being a requirement of the work environment:

> *"I don't find it hard, no, I think it's expected, so I go with it." (Employee back-of-house)*

> *"I just keep smiling because for me it's just, it's like a survival mechanism, do you know, and it's just far easier to be nicer to people and I think I'm very much of the belief that everybody has their own thing going on, that if you can be nice to a person, you could be making some form of a difference to that person" (Duty Manager).*

Additionally, there is a social aspect to work with employees reporting that they socialise together outside of work. One of the managers reflected that *"we all get on and we all go out together as a group. … You know, we would always, say, like, on a Friday or a Saturday night, "Oh, are you going out tonight?" Or, "Oh sure, we'll meet up," you know, or kind of that … It's always like a group" (Chef)*. Others recognised that not everyone would be involved in this socialising, with an example given of those who work nights not really knowing the daytime staff. An example was given by the owner:*"So the night porters or something like that would hardly know some of the people that work here during the day because they just work opposite each other as well" (Owner)*.

It is recognised that work can be challenging particularly when it's very busy. Equally some staff report that it can be frustrating sometimes to achieve completion of a task when you wish to consult with someone who is working a different shift to your own.

It is clear that once people are established in their roles that they are trusted to perform their duties with reasonable autonomy. An example was given that *"they would trust you to go off and do your work and that sort of way. They wouldn't have to be keeping an eye on you …they put the trust in you after a while and then that's it. You go and do what you do" (Employee back-of-house).* Management hold a similar view and note that *"I really don't think they are standing over them really at all, you know, just, you know, you know that there is somebody there if you need them and, you know, they're, like, the duty manager would have overall responsibility that the day is running smoothly but people are expected to use their own initiative just to get on with it"* (Manager). Employees recognise that *there is big trust, yeah" (Employee 4,administration)* and this is appreciated with one employee

commenting that this *"actually made me much more comfortable here and happy, you know, that they trust me, you know, and that's good" (Employee 2, back-of-house).*

> *"[I] don't really report to anyone, I don't think. Actually they kind of report to me" (Chef).*

In the kitchen there is evidence that staff would be allowed to experiment with new dishes and given the scope to put their ideas into practice on a trial basis.

There is a good degree of flexibility among employees with some employees reporting that *"I could be moved around to do anything" (Employee 2, back-of-house*) and staff seem happy to operate in this way. The owner acknowledges that *"everyone here does everything, you know, and that contributes towards … more efficiency" (Owner).*

There is no evidence of resentment where staff are asked to work outside their normal hours or on a day off. Equally, employees other than frontline staff have reported that they have the freedom to come in whenever they wish so long as they get the job done. It was noted that *"there is that flexibility there and I think a lot of the staff that work, again, a lot of them are women, a lot of them have families, and there is the element of , "If you can't work today or that, you ring [x]. She'll find somebody else to work," and that's fine. Whereas in another job, you'd be pressurised into being there on that day, on that time, or else you could lose your job … and I think that flexibility that is within the hotel is very beneficial… that the flexibility of the workplace, to me personally, you know, you won't find it anywhere else….."but again I'd bring work home with me and you'd just clock it up, you know" (Employee 4, administration).*

Staff retention is good with many staff employed for a long number of years: *"There is a give and take culture here, very much so" (Employee 4, administration)* and this is perceived to contribute to the low staff turnover rate with the outcome that *"staff turnover here is minimal" (Employee 4, administration).* This was noted as being dissimilar to many other hotels and bars in the immediate area. As a direct consequence of this the hotel benefits as *"everyone knows their role. We don't have new people coming in constantly going like, "Oh, what do I do next? What do I do next?" Everyone knows what they're to do and when it's to be done, whether that's under the guidance of the duty managers or whether it's their own initiative, they see it and that's how it gets done" (Employee 4, administration).* Management

recognise the connection between low employee turnover and better performance outcomes for the hotel and as a result the owner takes a keen interest in why people leave.

Staff consider that they are treated well by the owners and report that they feel supported if there is anything else going on in their lives. These actions can be seen to contribute towards a commitment to the employer:

> *"They will always say to you, "Family comes first." Like, my father had a back operation and they were very accommodating with hours now around that time because just for getting back …… when he was in hospital and everything, they were very good like that, and I think a lot of staff respect that as well, that they know that if there's something they need to mention, it's 100% and they're very good. They will check back how you're actually doing as well and I think that's appreciated an awful lot" (Duty Manager).*

What might be described in other hotels as extra role behaviour is in some ways part of the culture of this hotel and there were many instances cited by employees such as the examples quoted below:

> *"we'll give them a little tour of the hotel, you know, on the way to the bedroom, we'll say, "Well, this is where breakfast is and this is where the bar is" and you would kind of, you would walk them to the bedroom with their luggage" (Duty Manager).*

> *"And literally, if there's anything we can do, we will do it. At the coffee shop, if someone is getting a takeaway dinner, we might carry it out to the car for them, do you know, or you know, some shops, we might just drop it down to them, just some kind of little gesture, yeah" (Duty Manager).*

It was reported that much of the extra role behaviour is to satisfy the customer but there are also examples where this behaviour is consciously performed to maintain and improve the hotel's reputation:

> *"it's always going to have some outlook on the hotel so you may as well try and keep it up if you can, try and help" (Employee back-of-house).*

Such actions are also a reflection of a person's own standards and personality type and it is notable that this type of behaviour is an indication of how employees treat each other also.

An example given by a member of payroll staff assisting a new employee was cited as follows:

> *"if we have a new member of staff, their credits might not look right, and you contact, you talk to them and you say, "Do you want us to ring Revenue? Do you want to ring them yourself? .. Like, a lot of companies wouldn't worry about what tax credits their staff had. "If it's wrong, it's wrong, it's not my fault" (Employee 4, administration).*

This type of assistance, which is given to staff is recognised by employees themselves as being a direct reflection of the owner's approach to how staff should be treated. It is recognised by staff in key roles that other employers would not show this level of care for their staff:

> *"Again, you get the forms in for social welfare and all of the rest that comes with it, and they'll come in and they don't understand the forms. You know, it's not just a matter of me filling out the employer part. You'd have to go through it with them and say, "You have to get this, you have to get that." Now they could go to Citizen's Advice and get it, the same help, but it's a given….it's a given that the staff are given the help they needed." (Employee 4, administration)*

Overall, there is a very significant commitment to customer service and there is evidence of a remarkable level of service for a three-star hotel. One of the family members was singled out as an example in this context:

> *"a million thousand times she goes out of her way for everybody, absolutely everybody she meets..."she 100% goes above and beyond. I think that's, you kind of, when you see her doing it, you'll do it as well because it's not so structured in that you can only have a certain relationship with customers. It's very much like, "Oh, come here, we'll mind you…." you know, that kind of way" (Duty Manager).*

It is clear that the influence of this family member contributes greatly to customer satisfaction and also indirectly influences the manner in which other employees interact with customers.

4.2.7 Summary of 3starTown

This hotel can be seen to have an established set of written policies covering a range of HR areas which go well beyond legal compliance. As such HR practice is far from ad-hoc in nature. Neither do rules dominate here however with evidence that employees can demonstrate a reasonable level of autonomy in the performance of their roles with appropriate support from family members, as required.

A significant theme throughout this case study is the impact of the owner and other family members who are involved and embedded in the daily operation of the business. A strong sense of family extends to employees in this hotel who report that they feel valued and that the owners genuinely care about them. For example, there is evidence of a paternalistic type of interest in employees' development on the part of the owners. A clear respect for the owners is identifiable. This positive relationship is reflective of a social exchange relationship of the type that is seen to "evolve when employers take care of employees" (Cropanzano and Mitchell, 2005).

Responding to a multi-segment market, this hotel leans towards a differentiation focus in the manner in which it personalizes its service. This is recognised by the owner as a key element of their product and is firmly established in the manner in which employees are encouraged to behave. Expectations about how to behave in the customer service environment are not prescriptive but are gained by learning both from established employees and from the example of family members involved in the business. Consistent investment in employee development via ongoing training initiatives and cross-functional training within the hotel, together with low levels of employee turnover ensure a skilled staff who are capable of responding to customers' needs in a flexible manner. This is reflected in the fact that customer complaints are noted to be infrequent.

This focus on the customer and the genuine desire to ensure customer satisfaction leads to employees getting to know the customer and interacting with them in a more meaningful way. As a result it would seem that employees don't actively think about their behaviour in terms of the effort required in this setting.

4.3 4starCountry

4.3.1 Background/case outline

From the moment one reaches the entrance of this rural four-star property the views of the surrounding scenery prove an obvious and instant attraction to any first-time guest. Inside, a spacious but invitingly comfortable foyer leads to a reception desk where an immediate and personal welcome awaits. This hotel was newly established by the current owner approximately 25 years ago and, having expanded gradually, it now employs over 60 staff, albeit with a heavy reliance on part-time contracts. Two generations of the family are actively involved in the operation of this family hotel which currently hosts 65 bedrooms.

The management structure of the hotel includes a non-family general manager (GM) who together with the owner and two other second generation family members (with directorship roles in operations and sales, respectively) take responsibility for the operation of this hotel in a very hands-on manner. Responsibility for HR matters rests with the Director of Operations (family member) but there is evidence that many areas of HR remain subject to the owner's discretion and ongoing input. There is no evidence of a HR strategy in place as the owner "*has no belief in any of that" (Director – Family).* Structures may not be overly formalised, but informal arrangements seem to result in the more established employees taking some responsibility for newer staff. Even where reporting arrangements are in place there is evidence of variance in this due to the owner's involvement in all areas of the business. Some employees reported that all staff report to the owner in reality as *"all decisions go through him – the ultimate. So you might as well go direct to him" (Manager - Banqueting).*

There is evidence that the family learned as the business developed because they did not have previous hotel management experience. The hotel employs a variety of people, both full-time and part-time or casual, with part-time and casual employees making up 90% of the staffing in the banqueting area for example. Frontline roles are predominantly filled by Irish staff and this may reflect the management-held view that Irish employees have a particular disposition to smile and display desirable emotional labour characteristics with the GM noting that *"I think Irish people have it naturally" (General Manager).* The general manager has extensive hospitality experience and a hospitality qualification while others in the management team hold varying non-cognate degrees and have gained experience in the hotel sector.

4.3.2 HR Practice

The written policies in existence in this hotel were noted to have been put in place following a legal case taken by an employee more than ten years previously, and so legal compliance is clearly a primary influencing factor. Areas covered by policy were seen to reflect this requirement for legal compliance and there are very few formal policies or procedures that extend beyond that. This provides support for the view that HR practices adopted by smaller organisations often reflect a response to presenting issues (Kroon et al., 2013; Cassell et al., 2002). A NERA[7] inspection some years ago would have confirmed that the hotel was compliant with statutory requirements at that time.

4.3.2.1 Recruitment and Selection

There is no formal recruitment and selection policy in place. Instead there is ample evidence that networking particularly provides a significant source of new employees for vacancies as they arise as *"there is always somebody looking to get in a friend, a son/daughter or something like that" (General Manager)*. This would especially reflect the situation for many frontline positions where it was noted that *"a lot of the sort of housekeeping staff or the waiters, the waitresses, a lot of them would come in because they're a friend or they know somebody …" (Employee, back-of-house).* For chefs or other skilled staff, networking is still a feature and may extend to industry contacts well beyond the immediate geographical area.

This means of recruitment applies to managerial staff also. In the words of one manager who was recruited: "*I would have been familiar with the owners here through various events" (Manager - Banqueting).* Employment agencies might also be used but this is not usually the case for part-time or casual staff where networking contacts and speculative CVs, together with the use of relevant employment schemes, are normally sufficient. In one instance an employee commenced work on a consultancy basis and later became a more established employee in the hotel.

Interviews are indicated by management as the main method of selecting staff but it would seem that there is no consistency in the recruitment and selection methods, with the process noted to be haphazard. In some cases *"it is often just someone coming in the door with a CV etc. and you are busy and they are taken on" (Director - Family).* The desirability of

[7] National Employment Rights Authority – Workplace Inspection function now carried out by the Workplace Relations Commission

changing the approach to recruitment was expressed by a manager saying *that "I'd like to do it all differently but that's how it goes" (Director - Family).* A trial period is most frequently used to assess the suitability of a new employee. Overall, management report that it can be difficult to obtain the staff needed and this is attributed to the fact that the majority of the staff in the hotel are employed on a part-time basis. It was reflected that *"the reason it's very haphazard is because it's seasonal so it's very hard to offer people full-time. So a lot of the time you are taking on students, part-time staff so therefore you are not in a position to pick and choose - unfortunately" (Director - Family).*

It was noted that a staff handbook, contract, and safety booklet are given to all new employees on commencement of employment. Beyond these documentary requirements, induction is not seen as a formal process and there was no reference to any systematic approach to induction follow-up or to probationary processes. Job descriptions are not in place for employees although it was admitted that "*it would be better to have a job description, but well we don't" (Director - Family).* This approach may reflect the fact that flexibility is considered by management to be a key requirement.

Despite this, in addition to the contract and safety information supplied, new employees are often provided with some basic training documentation and are trained in what they need to do. However, there is considerable variation in the amount of training given in different areas of the hotel, with substantially more attention given and time spent with employees on the front desk as compared to those in food and beverage service areas. One consistency was noted in advising new employees about the nature of social media reviews and their potential impact on the hotel: "*If somebody joins my team the first thing I get them to do is to sit down and read Tripadvisor. It's the first thing" (Director - Family).* Managers also reported that there are clear expectations about how employees should act in front-of-customers. There is a requirement "*to provide not only the service but to have the generic smile on your face" (General Manager).* While there is no evidence that these expectations are formally communicated in initial staff training, nevertheless where behaviour is not considered to be reflective of the required standard a reminder would be given. This provides further evidence of the variation in approach in activities such as training and induction.

Opportunities for internal promotion are recognised to be limited in 4starCountry. Although there was one example of an employee who started on wash-up progressing to a supervisory role, overall it is recognised by management that there are little or no opportunities for

internal promotion "b*ecause there is just nowhere for them to go, unfortunately, you know" (Manager – Family).* This reflects size and possibly the fact the key positions are already occupied by family members as "*it is a family-run business and the management-level positions are maintained. So there isn't much movement there really" (Manager - Banqueting).* Despite this, employees in general seem to be happy with the roles they hold, and promotional opportunities may not be a key driver. This view was echoed by one employee: *"I've done a manager's thing and I don't really want to be a manager, you know, and I count myself as kind of senior because I have been here for 10 years, so we are all happy with the grades that we're at" (Employee - Reception).* Views such as this, expressed by the current cohort of staff, may disguise the fact that other employees have left for exactly the opposite reason.

4.3.2.2 Performance and Reward

It was reported that there is no performance management system in place and performance is not formally measured. Despite the lack of a structured system there is evidence that the owner would let people know how they are performing in other informal ways, typically via his ongoing interactions with staff on a daily basis. Additionally, employees report that they get lots of feedback with comment cards and Tripadvisor being mentioned as regular sources of feedback. Good reviews from Tripadvisor are displayed for employees to see. It was noted that if it was a negative review "*we would hear all about it" (Employee 1, Food and Beverage)* with questions being asked as to why something occurred and how it might be improved upon in future:

> *"So we get a bad review and straight away we will sit down and have a meeting with staff, with management to sort out what went wrong and make sure it doesn't happen again" (Manager - Banqueting).*

There was evidence that Tripadvisor is an embedded means of feedback with management quoted as saying *"sure everybody reads it. Everyone is very interested in it" (Director - Family).* This view from management supports the assertion that it serves as a directed motivator for staff and hence it is actively referred to in the early stages of employment with new staff.

In terms of reward, employees are paid the minimum wage, and a training wage has also been utilised prior to an upward adjustment to the minimum wage. It was noted that the practice of using a training wage is being phased out under the direction of the current

general manager. Payment to the majority of employees is made at a flat rate with no contractual bonus. Employees get their uniform provided, their meals during working hours, and they may play golf for free. It was noted that some managerial staff would have a bonus as part of their contract but even this bonus was noted to be very discretionary in nature, with no clear objectives to determine payment levels.

Some employees reported that they would also get a present and a bonus at Christmas but this is reserved for the longer-serving staff and is not a guaranteed element of their package. Some employees reported that *"I would have been looked after at Christmas*" *(Employee 2, Food and Beverage)* but they recognised that this would not be common knowledge among other workers. Employees recognised that this is provided as a thank-you from the owner sho commented: *"Well, key staff might get a surprise at Christmas for example (i.e. a bonus)" (Owner).* These additional elements were at the discretion of the owner with other family members in management positions noting that such decisions *"would be absolutely down to [the owner] not me" (Director - Family).* In this sense it is clear that control over reward decisions is maintained by the owner in reality rather than being distributed among other family members or managers (cf. Kroon et al., 2013).

Allied to the tight control around rewards, the practice of requiring staff to take holidays at quiet times is well established in this hotel. Additionally, during the recession the practice of employees being required to take time off in lieu rather than being paid for any extra hours worked was introduced and this has been maintained. These practices amount to a means of enhancing flexibility and contributing to greater efficiency for the employer.

4.3.2.3 Training and Development

Training was more needs-based with employees receiving training on areas such as health and safety and fire training. Front desk staff had also received computer training as a result of a new system being implemented. Additionally, some training on customer service was provided by agencies such as Fáilte Ireland. The majority of training provided is on-the-job, and in the case of newer staff *"usually, one of the experienced people would take them under their wing." (Employee, back-of-house).* Employees reported that *"you have to start doing the job before you learn" (Employee - Reception)* as they perceived that this is the best way to learn. One staff member confirmed that normally you try and put the new employee shadowing an experienced person for a couple of workshifts, but that this is not always possible due to financial constraints.

There is a recognition from management that while the training of new staff is important it can be inadequate in many cases: *"It's an area that we would need to look at, we are quite poor at. Simply, we have bought into it ourselves and we are victims of it ourselves, that we are not spending money on training staff, because labour is our biggest cost" (General Manager).* Established employees would be particularly conscious of the training needs of new employees who have not had prior work experience. It was acknowledged that *"our training is ridiculously poor" (General Manager),* while a more established employee lamented the lack of training provided indicating that she hoped that the newer staff were watching more experienced staff in terms of how to treat the customer:

> *"Well normally, when people come in first it would be up to us to train them in, especially if they have no experience" (Employee 1, Food and Beverage).*
>
> *"over in the bar and restaurant the idea is that they come in and they learn by watching, they really are not properly trained as well as they should be…..So in the bar and restaurant is it formal enough, probably no, they are supposed to learn by watching and doing" (Director - Family).*

The lack of formal training is perceived to be an outcome of the environment, where it is considered almost a luxury to have the time to train employees properly: *"But look if you are in the happy position that you are not constantly struggling then wouldn't it be great if you could train and motivate and maybe sometime in the future we can do that. But for the moment we will just survive" (Director - Family).* Some concern was also expressed by management that the hotel industry is regularly training people for other sectors.

Initial training needs are assessed at an individual level with varying amounts of training then provided: "A*re training needs identified ? Sometimes. But what do we do about it? Whatever you can. So basically, if you notice somebody can't do something, you tell them how to do it" (Director – Family).* In terms of the identification of training needs there was some evidence that this can be a two-way process, with both employees and managers identifying training needs at different stages. Despite a lack of training provision overall there was some limited evidence that professional updating courses might be supported by the employer for relevant staff. An example was given of the employee with overall responsibility for the accounting function attending an external training course.

4.3.2.4 Employee voice

The hotel does not recognise a trade union for negotiating purposes and there is evidence that control remains firmly in the hands of the owner. The somewhat autocratic style of leadership in place in this hotel sets the tone for the employee relations climate. In the absence of established formalised structures, decisions are ultimately subject to the discretion of the owner. Neither family members nor other employees seek to challenge the status-quo in this regard. Some members of management perceive that they are excluded from key decisions due to an inner circle of management which includes only the family members and general manager in the management team. A clear example of this was given by the Banqueting Manager who would not be provided with access to financial information on the takings from the various events he manages. This lack of financial communication can be common amongst SMEs (Wilkinson et al., 2007).

There is evidence that staff would make suggestions for improvement and these are well received by management and may be implemented if appropriate. It was noted by one employee that the owner would be open to a new idea *"if you came up with a good idea and especially if we can save him money" (Employee, back-of-house).* Some staff feel that their ideas would be particularly welcomed but it was noted that not all staff would feel comfortable to make suggestions to family members. One employee noted *"I'm one of the lucky ones here because anything I would say, they would work on it" (Employee 2, Food and Beverage).* Evidence suggests that a small number of established staff in what are considered by the owner to be key roles would be listened to whereas feedback or suggestions from other employees would be disregarded. This suggests a favouritism exists which impacts on the manner in which the work environment operates.

But there is evidence from employees that even small purchases, such as an additional baby chair for use in the restaurant, would have to be well justified in order to be approved. This is recognised as being different from a larger hotel where there would normally be a standardised procedure for everything. One employee commented on the difficulty that may be encountered in getting things amended with even gradual changes presenting a challenge: "*just little things need to change every so often. Sometimes that can be hard here, you know?" (Employee 2, Food and Beverage).*

While it was noted that employees would be aware of the general targets of the hotel, as bookings for example would be clearly available to view, there was evidence from some managerial staff that they may not be familiar with specific business goals as they are *"not given access to too many figures" (Manager - Banqueting).* Additionally, there was some suggestion of poor internal communications on occasion with one member of staff describing the process of advertising a vacancy as "*a trade secret*" *(Employee 2, Food and Beverage),* where an advertisement was placed externally but internal staff had not been made aware of the available opportunity.

4.3.3 Summary of HR Practice

The formal HR policies in place in the hotel are not extensive in nature and are primarily seen to promote compliance with key legal requirements (e.g. disciplinary procedures and equal opportunities). Practices around recruitment and selection are not formalised in nature with induction, probation and initial training provision exhibiting little consistency. Decisions around discretionary elements of reward are primarily vested in the owner. No formal performance management system is in place and training in the main is limited to statutory requirements such as health and safety or essential skills. Overall, the practices in place are underpinned by the view that people will follow the example of the established employees and family involved. This view is expressed by a manager suggesting that *"if you can lead by example that's the key thing to do. And people will follow suit" (Director - Family).*

In the absence of formal policies there is an acceptance in existing literature that managers typically are left more to their own devices (Purcell and Hutchinson, 2007). However, in the case of 4starCountry the style of management, with strong control in evidence on the part of the owner, is seen to limit this discretion to some degree. Table 4.5 showing the main areas of HR practice in place is included below.

Table 4.5: Overview of HR Practice in 4starCountry

HR Area	Policy in Place	Comment
Recruitment and Selection		
Recruitment and Selection	No	Ad-hoc practices with reliance on a combination of networking, trial, and brief interviews to fill roles. Seasonal fluctuations result in a heavy reliance on part-time staff.
Equal Opportunities	Yes	Legally compliant (ref to Recruitment and Selection included).
Induction	Yes	Variable approach depending on role.
Probation	No	No formal system in place.
Performance and Reward		
Internal promotion	Limited	Very limited due to size and family involvement.
Performance Management/ Appraisal	No	Informal daily interactions with owner provide a source of feedback.
Reward above minimum wage (entry level roles)	No	-
Uniforms and meals provided	Yes	-
Staff bonus	No	No contractual bonus. Some staff receive a "reward" at Christmas.
Management bonus	Yes	Applies to senior positions only. No established targets with payments at owner's discretion.
Gratuities to all	No	Staff manage distribution of tips.
Additional reward elements	Limited	Staff may avail of golf course. Occasional additional benefits to selected staff, fully at owner's discretion. No Christmas party.
Established structure for pay increases	No	Fully at owner's discretion.
Time off in lieu	Yes	Established practice to take time off in lieu of additional hours worked. Holidays also to be taken during hotel quiet times.
Training and Development		
Training	No	Minimal. Essential on the job training provided. Off-the-job training used only for specialist skills.
Employee Voice		
Grievance and Disciplinary	Yes	Legally compliant.
Communication	Informal	Limited opportunity for meaningful two –way communication. Lacks formal channels.
Trade Union recognises	No	-
Documentation		
Contract/Statement of terms and conditions	Yes	-
Staff Handbook	Yes	Given to all new employees.
Job Descriptions	No	-
Employee Safety Handbook	Yes	Employee Safety Handbook given to all new employees. Ensures legal compliance.

4.3.4 Determinants: A contextual review

4.3.4.1 Product and Labour Market

Overall, there is a high level of competition in the four-star hotel market. This hotel refocused on weddings during the recession (2008-2014) and this currently provides a large part of their business income. While there is an acceptance that the wedding market can be very competitive, there is a recognition too that *"the product we have, it almost sells itself" (Manager - Banqueting).* Although relatively new to the wedding market, the management of the hotel consider this may have been advantageous in their market segment. As a family hotel they strive to differentiate themselves from competitors with management noting that *"what makes us different, we are personal, we are warm and friendly and we actually really care about what we are doing. And you don't get that everywhere" (Director - Family).*

The labour market within which the hotel currently operates might be described as somewhat constrained as it is located outside an urban area. The hotel has a heavy reliance on part-time staff but the location somewhat limits the availability of such staff as public transport is not available. Staff turnover levels are impacted by the norms of student life cycles, with students often remaining in employment during the early years of their third-level studies and then opting to leave for more relevant opportunities. The general manager accepts that labour turnover rates are *"probably higher than acceptable"* amongst the lower staff grades within the hotel.

But many staff also report that they are very happy in this environment, and there is a core of long-established staff who are very settled here: *"And I keep coming back to if I went to another hotel to be the new girl again and the freedom I have here to be me and whatever, it just suits me down to the ground. I've done all that. I don't want to be up there. I want to be in the middle" (Employee - Reception).* In the case of these staff members, there is a clear fit between the culture of the hotel, the positions they hold, and their individual needs:

> "*As regards me, yeah, I'd be happy and, you know, I must have thought it was OK when I brought my own son in…but I do what I do because I like what I do, you know what I mean? But it's not everybody's cup of tea, you know (Employee 2, Food and Beverage).*

4.3.4.2 Strategy and strategic choice

While there is very little documentary evidence formalising the business strategy, there are examples of a very clear vision for the business on the owner's part. His commitment to this vision is unwavering. He is clearly the driving force behind the hotel and is determined that *"you can't stand still" (Owner).* There is evidence of this approach in reality in terms of ongoing plans for further development. Referring to a new development in the hotel's offering and a physical expansion of facilities undertaken in the midst of the recession he commented that: *"It just had to work, there was no Plan B" (Owner).* The expansion undertaken during this time was completed in stages and this proved a prudent approach, being referred to by one manager as the reason they are still in business.

The owner's strategy includes a decision not to accept business simply to keep the doors open. As a result the hotel either chooses business opportunities that will make a profit or opts to close mid-week during quieter times. This is a very different approach to many hotels in the area, where staying open and retaining staff is a preferred option over being selective about only accepting business which directly contributes to profit.

4.3.4.3 Customer influence

There is an acceptance that reputation in a service environment particularly is determined by the opinion of customers and the customer is traditionally recognised as being right. There is a clear focus in this hotel on maintaining a good rating through social media sites such as Tripadvisor. An analysis of Tripadvisor reviews for the hotel was conducted for the four months of July and August, over 2016 and 2017. The majority of reviews posted were positive, with just one negative review in that period. Overall, the comments of the reviewers were responded to by the hotel in 34% of cases. This reflected an increasing trend in terms of responses to customers' comments, so while the majority of reviews during the selected period in 2016 were not responded to, the reverse was true in 2017. Despite this, it is interesting to note that the average star rating for all customer reviews in the sample period was 4.6 out of a maximum possible rating of 5 stars. This demonstrates a high level of customer satisfaction overall.

Internally, while there is little evidence of any formalised standards being in place there are implicit standards required in a service environment that are often monitored and maintained by longer-serving staff, even if these staff have no formalised supervisory roles. One employee confirmed that occasionally more junior staff might need to be reminded of basic manners, for example saying please and thank you to a customer and where this needs to be

said, he would do it. It was also confirmed that younger staff may need direction in respect of staying out late and then coming into work *"in that state*" *(General Manager)* which is not acceptable in a work environment. This expected standard includes a requirement for a greater connection with customers than simply the efficient provision of food and beverages. Overall, there is evidence that managers are happy with the standard of service provided.

It has been established that customers generally evaluate hospitality on the emotional aspects rather than the physical aspects of service (Arrifin, 2013; Lashley et al., 2005) and *"having that customer walk out feeling that they got service" (General Manager)* is a common objective. Increased customer interaction can assist in making this happen. Small interactions are noted to be very powerful in this regard such as the owner saying hello to a guest and asking if everything is alright for example. A recognition exists too that customers may often be more demanding now than previously, but despite this the aim of the hotel is always that *"they must leave happy*" *(Employee - Reception)* reflecting the view that *"it doesn't cost anything to be nice" (Employee 2, Food and Beverage)*. There is evidence that service can be adjusted slightly to satisfy a more demanding customer. In the words of one employee the customer is *"not always right but you have to make them believe that they are always right" (Employee 2, Food and Beverage).*

While there is a recognition that the owner's view matters as well as customers' views overall, the customer view is considered the most important with management reporting that the aim is to create an "*authentic experience*" *(General Manager)*. Employees also showed an awareness that "y*ou are taking their money and you are hoping that they will come back because without [them], you have no job" (Employee 2, Food and Beverage).* There is also a recognition within the industry that it is considered *"easier to give it away than to fight it" (General Manager)* in the event of a complaint and avoid the risk to reputational damage that might result from a negative review.

Some regular customers feel very at home in the hotel as it is their regular place for socialising at weekends. These regular customers would feel very comfortable giving feedback in person perhaps saying something "*wasn't as good as I was expecting" (General Manager).* A manager described the real connection that can be established with returning guests also, where regular guests have developed an emotional attachment to the hotel and return repeatedly for family events or functions.

4.3.4.4 Owner and family influence

The owner of this business is on site on a daily basis and there are two other family members directly involved in the business. It is clear that the owner continues to carry strong influence in terms of the way the hotel is managed and it is noted that *"he does it his own way" (Employee, back-of-house).* His philosophy underpins the manner in which employees are managed and rewarded and he continues to exercise a level of control in all areas of the hotel. He is described as having *"his finger on the pulse and by God if he doesn't like the way a thing is being done, he will let us know. And you do it his way and that's it (*Director - *Family).*

Strong financial control is a predominant theme and this directly reflects the owner's influence. All costs are closely monitored including staffing costs with some staff of the opinion that this monitoring is *"sometimes maybe just a little bit too tight" (Employee 2, Food and Beverage).* It was remarked that there is certainly "*no waste of labour if you know what I mean. So it is a tight ship, you know" (Manager - Banqueting).* The fact that there is no Christmas party for staff is perceived as a reflection of the type of cost control that is in place.

4.3.4.5 Management Style

A member of the owning family reported that they consider the family to be approachable and that normal and open communication happens easily within the hotel as managers are often doing the same job as the employees. There is evidence that management staff have regular meetings. Employees reported that they could bring an issue to a member of management to be discussed at these meetings and they would then get feedback. In contrast, the general manager indicated that there was much more that could be done to improve internal communication. In his view *"we, as a hotel, have not grown to be a confident hotel. We still are a controlling hotel…" (General Manager).*

There is a recognition that the general manager and the owner may have different views on the means by which the hotel might be managed. But the GM reported that "*I take direction from my employer, but that doesn't mean that I agree all the time" (General Manager).* These varying views are noted to constrain the approach of the general manager in certain ways. For example, the culture established primarily by the owner does not embrace change whereas the general manager would be more open to change and relishes the opportunity that it brings. Despite this, the owner has demonstrated an ability to change the focus of the

business where circumstances have demanded this and there is evidence that he continues to actively seek new business opportunities.

There is evidence also of the general manager supporting staff, softening the impact that might otherwise be felt from the owner. Examples were given of him dealing informally with what might otherwise have become a disciplinary matter. In addition, the general manager is conscious of the capabilities of various staff members. Similarly, the Banqueting Manager described himself "*as being able to read a person's limits and you know you don't give them a task beyond those limits" (Manager - Banqueting).* This view was echoed by employees who recognised the scope to develop within their roles with staff reporting that "*you can kind of grow into your role" (Employee - Reception)* in this environment.

The importance of being nice to the customer is embedded into the culture of the hotel with a family member describing that *"the most important thing that staff can do or should do here is be nice to the customers. It's as simple as that. Be nice to them. Because if you are nice to them or if you are caring, you will do everything correctly, you will give them their tea. I just cannot stand people being rude to customers, or offhand or not friendly. So that's what's important" (Director – Family).*

In general, staff feel supported by management in this task. Examples include the hierarchy for how customer complaints are dealt with. For instance, it was reported that there is always a manager on duty to deal with complaints so that junior staff are not left unsupported in the work environment. The norm would be to get a manager to deal with complaints of any substance. This was partly to ensure the wellbeing of employees as management recognise that they "*can't allow a member of staff to be abused. I must protect them" (Director - Family):*

> *"And I would always say the nicer you are to [the customer], they will eventually be nice back to you. But if you start fighting them then it's war. But if you're nice to them then sometimes they will just be nice to you" (Director - Family).*

A strong sense of family is reported by many of the long-serving employees with one established member reporting that they treat the place and treat customers like it's their own business. Another longer serving employee reported on the sense of family that exists for them in the hotel: *"I always say like I have two families like my home family and my work family.. they were always there for me or me for them,….., you sort of knew what they were going through and that and they're really a lovely bunch. I think that I'm really so lucky to*

have them" (Employee, back-of-house). This view was echoed by other employees who reported that the sense of team and *"camaraderie that we have" (Employee - Reception)* is the best part about working in the hotel.

The team spirit is recognised by management also who commented that "*we do have a great team. A great team of people" (Director - Family).* Particular functional areas such as Food and Beverage were singled out by management as strongly demonstrating this spirit: *"The whole banquet is run as a team. We have a briefing before the event, instruct them on what way I want things done. I suppose I'm the conductor" (Manager - Banqueting).* This team spirit which is particularly strong in individual functional areas, was noted by management as presenting a greater challenge to achieve across the hotel generally, with the GM recognising that it can be "*very hard to get that right across the board while you would love to, and as a leader you would be able to get that whole sense of feeling throughout the hotel – that's a difficult one to get" (General Manager).*

4.3.4.6 Rules and Routine

The hotel complies with statutory requirements but has limited formalisation of policies or additional rules. In reality it was acknowledged that in any situation *"there's no rulebook for dealing with the customer" (General Manager)*. The more minimalistic rules in place in this hotel is favoured by staff, with one employee reporting that they like the fact that they are not dictated to by procedure and they have the freedom to be themselves at work. It is recognised that the freedom to have genuine interactions with customers might not be the case in a larger hotel group whereas in this hotel an employee reflected that *"I'm pretty much allowed to be me whereas if I had to follow around to some procedure, I'd be told what to say and how to act, whereas I can be me. And I'm quite a sociable person and so I can be me which is great and this is encouraged" (Employee - Reception).*

Staff are seen to be given reasonable autonomy in performing their roles without strict adherence to a set of formal rules. In reality this autonomy is balanced by the full-time presence of family members working alongside non-family employees and is ultimately subject to the veto of the owner who would seem to act as the arbitrator of all rules in reality. Also, as might be expected, there is evidence that newer staff learn from more longer-serving colleagues and this compensates in part for any lack of rules. Examples were given by established staff of the need to remind junior staff of the requirement to smile. It was noted

by an established member of staff that it doesn't always come naturally and, therefore, reinforcement may need to be repeated regularly.

4.3.4.7 Resources

The hotel benefits from a range of resources (see table 4.6 below) including its very favourable and scenic physical location. In networking terms it realises benefits from an association with the Irish Hotels Federation (IHF) which provides support and legal expertise as required. This establishment also benefits from the input of family members who have gained experience as they have grown with the business. The ongoing presence of the owner, who lives on the premises, is an additional resource providing the benefit of constant monitoring of service and frequent customer interaction. In networking terms, the personal connections of the GM provide an additional and valuable source of recruitment. Despite these identified resources, the overall sense here is of a hotel that operates strictly within resource constraints. Identified by various employees as a *"tight ship"* there is a notable and constant focus on curtailing costs in all areas.

Table 4.6: Summary of contextual influences in 4starCountry

Element	Details/Application/Examples
Product/Labour Market	Market segment: Wedding market. Markets served: Mid-high value; Variable volumes; competitive. Reputation conscious. Labour market not restrictive Labour supply somewhat restricted, but possible reputational advantage.
Strategy	Growth-focused. Pro-active on costs; Reactive on people management.
Customer Influence	Tripadvisor a prominent source of feedback. A service failure considered unacceptable in this segment.
Ownership	Three family members full-time in business. Embedded and holding key positions. Owner influence dominates.
Management Style	Controlling - Authoritarian Limited two-way communication. Certain information restricted to inner circle comprising family members and general manager. Moderate task supervision in most areas of hotel with significant supervision evident in the banqueting area.
Rules	HR Policies reflect legal compliance. HR practices can be ad-hoc and/or reactive.
Resources	Consistent family input; Owner directed. Hotel setting very advantageous. Networked professionally with IHF and personal networking via general manager advantageous in recruitment.

[SME contextual elements drawn from Edwards et al., 2006; supplemented with service descriptors from Herzenberg et al, 1998]

4.3.5 Organisational success

There is a clear view from management that success can be defined as *"happy customers who want to come back; who say good things about you" (Director - Family).* This acknowledgement that repeat business is key to the hotel's success reinforces the focus on customer satisfaction in every area and it is a view reflected by employees as well as management. Positive face-to-face feedback after weddings would be considered a very relevant indicator of success. The satisfied customer is also perceived to be the best method of promoting the hotel. The role played by staff in achieving satisfied customers was

recognised by management: *"Well, if your people aren't motivated then the numbers won't be right" (Owner),* although it is notable that this view may be seen to have limited substance in terms of the underpinning HR practices in this hotel.

During the years of recession success may have been defined as survival but "*now it is gaining your position in the marketplace as a brand leader in what we do*" *(General Manager).* One employee considered the key to success was in the family attitude to customers which was described as making *"everybody feel so important and [looking] after people. [The Director] just bends over backwards to look after people……she will sit down with them and she will literally just do anything she possibly can for them, you know, it's genuine, she's genuine…" (Employee, back-of-house).*

Occupancy rates are not considered a primary metric of success in this hotel with the bottom line considered to be the only relevant measure. This reflects the owner's strategic decision to close the hotel rather than operate at a loss during quieter times. The hotel consciously builds on its previous year's budget and the owners are satisfied that they are getting busier each year. Nevertheless, both the owner and the GM recognise that they will reach a point of saturation in the market for weddings and the owner and the director of sales are currently exploring other market segments which may increase future income.

In terms of industry recognition, it was noted that awards from most industry bodies are perceived very much as a secondary indicator of success as many of these are not competitive awards. The hotel's rating on Tripadvisor was considered *"earned" (Director - Family)* and therefore of greater value and a stronger indicator of success.

4.3.6 Employee and Employer Outcomes

Reflecting on the outcomes for employees, themes such as work satisfaction, pride, trust and staff valued/supported were noted. Employer outcomes included flexibility, staff retention, authenticity and loyalty.

Employees in general seemed satisfied with their work environment, with the theme of work as an enjoyable experience expressed in a number of the interviews undertaken. There is evidence that employees clearly prefer the smaller size of the hotel and the potential it offers for increased interaction with guests. This very personal experience for the guest is considered a requirement in a smaller hotel. Established employees expressed a sense of

comfort in working here: *"I like this because it's what I'm used to" (Employee 2, Food and Beverage).* Staff realise that their roles may be busier in this smaller hotel environment also but they are prepared for this. There was a view expressed by one member that this hotel can provide additional challenges as there is a tendency to employ lower-skilled staff who then need to be trained. One employee reflected that "h*ere can be very testing at times because they have a habit not to employ staff that knows what they're doing. They would go for the lower level scale. That's the only problem I have with here …" (Employee 2, Food and Beverage).* Some staff also mentioned the limitations of being required to use annual leave during the quieter times in the hotel, but this system seems to be accepted by most staff without issue. Additionally, it is acknowledged by management that the industry itself brings challenges and the traditional image of unsocial hours and relatively low pay is still a reality:

> *"it's not an easy line of business because you're not giving people huge wages. And you are asking people to work when they would probably rather not be working. That's not easy" (Director – Family).*

Employees report that customer service requirements in the role are manageable with one person commenting that it's not hard to smile "*because 99% of the people you will meet are lovely" (Employee 2, Food and Beverage). A family member reflected a similar view* and considered that the ability to smile comes naturally to many staff: *"I just think that comes naturally because you're in work, you're having fun, you're having fun with your customers. You're there to make sure they are having a good time. They're bantering back with you. Everyone's happy, we are all in good humour. You don't have to tell them to smile. The odd time you do" (Director – Family).* Management also believe that being nice to people is a basic expectation. In the words of a manager *"it's in everyone to be nice. You lead by example and Tripadvisor doesn't hurt. And customers won't accept it you know" (Director - Family).* Despite this it is recognised that some staff members are more naturally suited to a service environment and it is important to achieve a good fit between the individual and the role that they are employed to do: *"If they're not that person that's able to smile and able to do it, don't put them out at the front" (Employee 2, Food and Beverage).* In addition, it is reported that the prospect of tips may also encourage employees to behave in a certain way in front of customers.

Employees also report that they value the opportunity to be themselves in a work environment. One employee reflected that *"because people are allowed to be who they want to be, you know what I mean, that there is a lot of freedom given. It's not, "You mustn't do that and you mustn't do that." You can actually be who you want to be, yeah" (Employee - Reception).* It is also recognised by management that it can be hard to smile and maintain the service face required when things are going wrong. Management strategies for dealing with this include encouragement and facilitating a short break from the service environment for employees who seem to be under pressure. Management also referred to the issue of being nice to a difficult customer: *"But if you're nice to them then sometimes they are so surprised that they will just be nice to you" (Director - Family).* Employees have their own strategies for dealing with the pressures of a work environment and these mainly include taking a short break from customer-facing duties: *"There's times you might have to walk away and get a jug of water and come back …" (Employee 2, Food and Beverage).*

There is a sense of pride evident from both management and employees in this hotel, with the owner reflecting: *"What we do, we do it well" (Owner).* There is particular pride associated with being part of the delivery of a high-standard wedding service: *"And I have such confidence in selling a wedding because I know the food is going to be good…. it really is a work of art."" (Director - Family).* This view is echoed by employees: *"But as regards our weddings, no, they're to perfection, you know, and they really are" (Employee 2, Food and Beverage).* It was reflected that there is an added sense of achievement by employees when the hotel meets the extra expectations of a wedding couple for example and *"they just know the importance of it and they take pride in it. They feel a sense of achievement afterwards and it is a sense of achievement. A really good feeling, getting all that out. Everyone's happy. It's brilliant" (Director - Family).*

Established employees are trusted to get on with their work without much supervision with an employee reflecting that *"you are just allowed to get on with it" (Employee 1, Food and Beverage).* In a similar reflection, one of the family members noted that *"we have a lot of people who are here a long time so that they know what to do anyway" (Director - Family).* There is evidence that employees value that autonomy in their working environment: *"I would make my own decisions, but if there was anything in doubt, I would ask [the manager] first" (Employee – Reception). "Enough responsibility but not too much" (Employee - Reception)* is clearly valued by the employees. However, there are instances of an increased

level of supervision by certain managers in specific areas: *"I would always be aware of what someone is doing through the shift. I would set them tasks and I suppose supervise the different tasks" (Manager - Banqueting).*

Within the normal remit of their duties supervisors have discretion to offer some flexibility such as letting someone go home early for example, but there is also evidence of managerial control exercised consistently by the owner in a range of areas. It was noted that *"at the end of the day the ultimate decision would be [the owner's] so if he decided he didn't particularly like something, the work of a particular staff member he wouldn't be long letting you know." (Manager - Banqueting).* But it was stated that *"once [the owner's] trust is gained, like, he naturally expects them to get on and do their jobs and pretty much that's what happens" (Employee, back-of-house).*

There is a consistent indication of the flexibility required from staff who are expected to cover other functional areas at quieter times in the hotel. For example, bar staff reported that they could be involved in accommodation or in wash-up areas and this is not considered unusual. Management perceived that the lack of a job description better facilitates this type of flexibility:

> *"And that is my favourite line in the contract "Any other duties….Basically, because that's how it works" (Director - Family).*

There are examples also of employees being given flexible or unique arrangements. One member of staff who provides administrative assistance and who is not customer-facing has complete discretion over her hours and so works from home on some occasions. This arrangement started due to personal circumstances around the time her employment commenced and has simply continued on without change. Employees also recognise that they may have an input to the rostered hours and hence they benefit from a certain flexibility that is possible as a result of the smaller size of the hotel.

While many staff enjoy flexibility through having some input into the hours they work, there are some who feel they are treated particularly well in this respect. One employee commented: *"And now me personally, I'm quite happy because I'm lucky they like me and they look after me" (Employee 2, Food and Beverage).*

Management acknowledge that staff make the difference in achieving high standards:

> *"I think we provide a warm welcome to people, we make them feel at home. I think that's what sets us apart" (Director - Family).*

The view of family members is that staff turnover is not a particular concern and this may partly reflect the nature of the guest who is typical at the hotel. It was noted that *"we have a very good product, we give a good service and so we have happy customers. It might be easier than other places to work in, maybe. I don't know" (Director - Family).* It was noted by the general manager that staff who are paid in the mid-ranges are less likely to leave as they may secure some intangible benefit from being employed by a hotel that is perceived to be a prestige brand. In his view for employees to consider leaving "*it would definitely take money but it would also take a similar property with similar prestige" (General Manager).*

However, the general manager expressed concerns about labour turnover rates commenting that *"staff retention is difficult"* particularly with lower paid staff who would leave for alternative job opportunities. While the turnover rates may be just at an acceptable level for the business, he identified that they could certainly be improved. The consequences for the hotel of providing repeated on-the-job training for new staff are also noted. Concerns were also expressed about the improving economic environment and jobs market and the impact that this may have on turnover into the future. Notably, the hotel closure during quieter times of the year may also be a contributing factor to staff turnover rates as this arrangement does not suit all employees.

While there is some evidence of loyalty in this hotel, this seems to reflect an interconnectedness on the staff team where employees have worked together for a considerable period of time rather than a strong loyalty or commitment to the owning family: *"I think the camaraderie that we've all worked together for so long and we know the ins and outs and we want to do a good job and you're protective over it and it's a business and at the end of the day, it's your job" (Employee - Reception).*

In this context, it is notable that management reported that staff are excellent but it is not clear if this translates into staff feeling valued: *"In general we do have a great team. We have great people. I really like the people I work with. They are absolutely brilliant; they are true professionals. They want to look after the customer" (Director - Family).* While some staff reported that they feel valued, others were more cautious in making such an assertion, commenting that *"we're valued as much as any other hotel really!" (Employee 1,*

Food and Beverage).

There is evidence that employees would go beyond their role to satisfy a customer. Customer satisfaction is a clear driver in the discretionary behaviour of employees.

> *"with the general public when you're taking their money, you have to make them feel like it's value for money and it was great and it was lovely, because it's as easy to have them go out that door smiling …" (Employee 2, Food and Beverage).*

4.3.7 Summary of 4starCountry

The philosophy of the owner can be seen to dominate the nature of HR practices in operation in this hotel with clear evidence that control is retained by him across a range of areas. While there are some tensions evident between the general manager and owner's style of management, and indeed between the owner and other family members, all managerial staff interviewed indicated that they respect the owner's right to determine the approach taken in many areas of the business. Additionally, there is universal respect for the clear vision of the owner in taking the business forward through recessionary times, with family members reflecting that whatever the circumstances he always knows what to do.

Evidence from the Recruitment and Selection practices points to selection processed that may be less sophisticated and somewhat more ad-hoc than is ideal. In the absence of formalised training for new staff tacit knowledge accumulated through working with more established employees, observing others, feedback from customers and regular reinforcement from managers or supervisors (as required) all contribute to achieving the desired outcomes in employee behaviour in 4starCountry.

4.4 4starTown

4.4.1 Background/case outline

Walking into the spacious foyer of this hotel one observes that the immediate surroundings are sleek and yet comfortable, giving an impression of an upmarket and well-maintained establishment. Although it is a long-established business, extensive refurbishment completed in 2004 has meant that the overall sense is of a modern hotel. This is a four-star hotel, located in a large town in Ireland, which provides 46 bedrooms. Employing approximately 85 staff, the hotel is family owned, with two second generation family members actively involved in operations, albeit on a part-time basis.

The management structure comprises a general manager (GM) reporting to the owner, with another family member working part-time and taking specific responsibility for HR matters. The owner is not on site and the general manager has clear operational responsibility for the running of the hotel on a daily basis. There is evidence of a good working relationship between the owner and the general manager. A clear decision not to appoint middle managers in each functional area is a direction that is supported by some of the longer-serving staff:

> *"I would be the manager but I didn't take the title, I didn't want the title of the whole manager thing. I just didn't want it a couple of years ago and I just, I would just do the job and I would get paid for it, lovely, but I just don't have the title which it works better for the girls as well. There's nobody seen as this big manager. [The GM] is kind of the person that everybody kind of answers to. There's no middle managers which is great" (Employee 3, reception).*

4.4.2 HR Practice

Where formal HR policies were in evidence these were perceived by employees to be there *"because they have to be there" (Employee 3, reception).* Compliance with the law and protecting the company was noted by management as the major reason for the introduction of HR policies: "*'I'd say 90% of it is protecting you and 10% of it is furthering the people … you know" (Manager- family member).* A previous NERA[i] inspection had further highlighted the need for policies. In the words of the family member with responsibility for HR: *"That's my first thing. To protect the company and to make sure that nobody comes in*

and says you're in non-compliance with x ,y and z. I have to make sure that we are in full compliance" (Manager- family member).

Written HR policies were noted in operation in areas such as Probation, Grievance and Disciplinary, and Performance Management. Policies are supplemented by a Staff Handbook and all employees are subject to the same policies. Despite policies being in place there seems to be some flexibility to apply rules pragmatically even if they are not strictly in line with the policies (cf Ram, 1991). An example was given of the stated practice that holidays may not be taken in July or August but employees reported that a pragmatic approach can be managed on occasion. Another example was given of an employee missing a break during their work shift and then being sent home early by the supervisor in lieu of the missed break. A job description is given to each employee but again this was reported as a matter of compliance rather than something which realistically describes the duties of an employee, with the affirmation that "*in a hotel this size the job description isn't really worth the paper it's written on. It's there because you should have one" (General Manager).* This comment further supports the approach of seeking to understand the reality of HR practices in operation rather than merely reporting on the existence of formal policies.

4.4.2.1 Recruitment and Selection

The process of recruiting frontline staff is left primarily to the manager or supervisor within the relevant area, with the general manager happy to delegate that responsibility. In his words he "*would try and stay out of it really because I don't want to be doing it… but any person that is hired the CV is passed to me to have a look at and if it is a senior-ish position then I will comment on it and give an opinion or possibly sit in on the odd interview" (General Manager).*

The hotel has a limited need to advertise vacancies in traditional external media with an advert in the hotel window or on facebook normally proving sufficient applicants. Occasionally, a jobs site might be used and speculative CVs might be received also. Employment agencies are not generally used as there are adequate applicants achieved through other means. Periodically, employees may be recruited from those who complete work experience as part of their college requirements, reflecting a connection with a third-level institute in the area. Networking sources are commonly used with family connections and employee referrals often proving a welcome and successful source of new staff:

"the majority of the staff is people that would have been recommended by word-of-mouth" (Food and Beverage Supervisor 2).

"actually we have families here especially here, we have one of our supervisors her sister is working here, one of our chefs, he and his brother both work here" (Manager- family member).

While interviews are commonly used, it is recognised that word of mouth often means that the role of the interview as a selection tool is significantly reduced and in cases where recommendations are made: *"we chat to them on the 'phone or if they pop in and we would have an informal chat .." (Food and Beverage Supervisor 1).* A work trial is typically used and this is considered the most effective way to confirm a good selection decision with people being "*brought in for a shift. They're paid for the shift regardless, and after that they are given the probationary period then" (Manager- family member).*

It was noted that personality was a relevant factor when considering the suitability of employees for some roles. Referring to the importance of personality on reception it was noted that *"on our desk, it would be more your manner. The computer bit is second and the [family] would be very like that. It's how you'd come across to the customer. The computer will all come to you. It's how you deal with the customers, like kind of customer service .. (Employee 3, reception).* Despite such acknowledgement, there was little evidence that this requirement was explicitly highlighted at the recruitment stage.

Evidence showed that employees' expectations regarding customer service in 4starTown are built from a combination of induction activities, the probationary process, and ongoing feedback. In addition to the smile, the requirement to engage with the customer was reinforced by management. The expectations around this were noted to be part of the induction process and would be reinforced by supervisors during the probationary phase. There were numerous examples of reinforcement taking place on a regular basis, with occasional use of indirect feedback where a performance issue was identified. In the words of one family member: *"I would often go back if we had a new person starting and I mightn't say it to them because it might be a bit embarrassing for them, but I'd say it to the manager/supervisor or whatever" (Manager, family member).* Occasionally reinforcement of service expectations is required with one or two staff needing more encouragement than others with employees being told *"Look, just smile" (Food and Beverage Supervisor 2).*

In addition, there is some indication of emotional labour expectations being established by *"looking at everyone else and the way they did the job…" (Employee 1, Food and Beverage).* Front-of-house staff are particularly conscious of personal presentation requirements with a long-established member of staff reporting that reception staff were sent to "grooming classes" when she started. The requirement to be *"warm and welcoming" (Employee 3, reception)* was also noted.

While some members of management staff recognise the process of induction as ensuring *"that they get their contract, their employee handbook, their job description" (Manager, family member)* others would see that there is less of a formal induction in place. In the words of one manager: *"we wouldn't call it an induction. What I do is train them ……We wouldn't have them sit down for a sort of a formal induction. They would be trained as they go along" (Food and Beverage Supervisor 1).* This view was also reflected by employees: *"They just kind of put them out there and start working with them" (Food and Beverage Supervisor 2).* Despite this, clear expectations regarding personal grooming and presentation standards are established via verbal communication and through the staff handbook.

In terms of probation there is a procedure in place which includes a systematic, if informal, review of the performance of new employees. A family member described that *"what we do here is everyone gets a month's probation period ……. and then I will always check in with the line manager to see, after 2 weeks/ 3 weeks you know to say how is this person getting on? Do you think they need more training? Do they need another time period?" (Manager, family member).* As such, the monitoring of probation is quite systematic even if not overly formalised.

There is evidence of internal promotion opportunities for staff, albeit in this regard the constraints of size are accepted by both management and employees. There are examples of employees starting in frontline roles on a casual basis progressing to supervisory roles over time. Overall, management perceive there are many internal promotion opportunities: *"this would be very important to us as a company actually, we do an awful lot of …internal promotion through the company, an awful lot" (Manager- family member)* and it was noted that *"the likes of team leaders and supervisors and all that have worked their way up from, like, waitressing and bar staff" (Food and Beverage Supervisor 2).*

Interestingly, employees have a less consistent view of the internal promotion opportunities available in reality, with some recognising that *"nine times out of ten, it's in-house that they will be promoted and they would have a chance of it" (Food and Beverage Supervisor 2).* But contrasting views were also heard which reflected the constraints of size such as: *"Yeah, it's too small. There's nowhere to be … Well, maybe in the bar a little bit from, like, bar staff to supervisor but that's as far as it goes then really" (Employee, reception).* Another employee expressed a more dissenting view suggesting that the reverse is the case when she said *"I did originally think that when I started, I was like, "Oh yeah, you can work your way up the chains," but I don't think they'll ever promote within. I think they'd prefer getting someone from the outside who doesn't know all the staff, yeah" (Employee 2, front and back-of-house).*

4.4.2.2 Performance and Reward

A written performance management policy is in place which includes a system of annual appraisals normally conducted by the line manager and a senior manager, although some variation in its application was reported by employees. There was evidence that the frequency of the appraisal may vary from one department to another, with one employee requesting an appraisal (which was then arranged), while another department referred to not having appraisals because it was noted that *"we're all there ages and it's like, "Well, they're fine, they're grand" (Employee 3, reception).* Despite this, some employees recognised it as an opportunity for feedback but others expressed the view that they *"get nothing out of it".* There is a management view that training may be identified at the appraisal stage but in many cases because of the close working relationship between staff, this may simply be an opportunity to reconfirm the training needs that may be apparent during normal service.

There is confirmation of good feedback to employees from customers' comments given on comment cards, in person, by email, or from social media sites. Staff also get feedback directly from management with a description of staff being sufficiently comfortable with the general manager that they would actively seek feedback from him in a very informal way such as: *"So how do you think I'm getting on?" (Employee 3, reception)* and that accurate feedback would then be given. This type of interaction between employee and general manager reflects the very open style of management in place.

Performance standards in the area of customer satisfaction are clearly reinforced by the ongoing interaction with customers. In addition, particularly good and poor customer

reviews from sources such as Tripadvisor are referred to at meetings with staff or are displayed on the staff noticeboard. It was noted that feedback from Tripadvisor would be passed back to employees with the general manager frequently thanking staff personally who were mentioned by name in addition to displaying the reviews beside the staff roster. Some staff perceive that Tripadvisor comments may be just lies and that they don't check it themselves with one employee commenting: *"I don't want to know" (Employee 1 Food and Beverage).* Poor reviews are typically followed up by the general manager, as appropriate. While this is a fairly constant source of feedback for most employees it is clearly not the only method.

There are indications that staff perceive they are paid fairly including payment of the correct Sunday Premium and bank holiday rate. In addition to wages, employees are provided with uniform shirts and with meals while at work. Entry-level positions are paid at or around the minimum wage rate and more established employees recognise that newly recruited staff are not paid over generously. A longer-serving employee reflected that *"the younger girls come in and it's very hard to get a pay rise and I understand the economy and everything but they're on little over the minimum for a long time and they do work hard" (Employee 3, reception).*

Performance is linked with pay for more senior staff who have agreed performance goals which determine the level of bonus payable. Relevant performance measures are monitored on an ongoing basis including occupancy rates, takings by functional area etc. and these are compared with previous weekly and monthly figures. Managers in each functional area are familiar with these business metrics. While non-management employees don't benefit form a bonus scheme there are many cases where employees can be given additional rewards when deserved. Examples include a weekend away, a small bonus (for example for long service or for bringing in a large group booking), a €100 voucher at Christmas if you have had good reviews on Tripadvisor, or some driving lessons for one employee or a choice of gifts or hampers from suppliers representatives around Christmastime.

These occasional non-contractual reward elements are considered meaningful and are appreciated by employees. Additionally, there seems to be a practice of managers "getting something" when they are going on holidays and most interestingly there are also examples indicating that managers might sometimes give the owner something when he is going on holidays. A particular example was given of a pack of running accessories given to the owner

by the managers before he competed in an 'Iron Man' challenge. This provides evidence of the nature of the two-way relationship in existence between staff and the owner in this hotel.

4.4.2.3 Training and Development

Although there is no written policy on training, it is viewed as important by both management and staff with the need for training being considered a constant feature, particularly to ensure compliance with statutory requirements. Key training such as the responsible sale of alcohol is provided periodically and is typically a half day off-the-job programme offered to all employees, even those not currently working in an area serving alcohol. Beyond the statutory requirements, customer care training is considered a priority as this is perceived by management as contributing directly to the satisfaction level of customers and to the overall performance of the hotel.

On-the-job training was noted as the most common method of addressing operational training requirements, with newer staff typically being assigned to work with a more experienced employee and "*just work alongside …" (Employee 1 Food and Beverage)* or are "*trained as they go along" (Food and Beverage Supervisor).* There was a view expressed by a manager that people coming into the business may not have previous training in the area but that it's better that way *"Because it's easier to get it into them just the way we do things and how we do things" (Food and Beverage Supervisor 1).*

Areas within the hotel had different standards with regard to the length of training required, so while the food and beverage areas (for example) might be "*mentored for about two days" (General Manager)* there is evidence that reception training might take considerably longer. An employee on reception reflected that *"we would always say after about three weeks, you should be able to do a shift on your own" (Employee 3, reception).* In addition, different levels of training may also be considered appropriate to different staff, with those who are considered seasonal typically receiving less training than employees who are perceived as long-term. Managers reported that they select people who have shown an aptitude in a certain area for further training.

Some training such as cocktail service training might be perceived as an opportunity for team building also where "*you would learn how to make cocktails and then be able to drink them at the same time, so then you're kind of learning and having fun and bonding with your other colleagues as well" (Food and Beverage Supervisor 1).*

Training needs are identified by management in some cases but employees may also be the initiators of such staff development. Employees seem to consider that any suggested training requirements identified by them would be positively received and acted on. This view was echoed by both family and non-family members of management:

> *"we're always open if they come to us with a proposition, about what they might like training in and in the appraisals .....and they might come to us and say can I get some more training on the coffee machine so that's always….. yeah, so it can be very small little things but yeah" (Manager- family member).*

> *"So if we see potential in someone who we think isn't going to disappear in 3 or 4 months, and we see a good course, and they come to us and we know they are not leaving then we would do it" (General Manager).*

4.4.2.4 Employee voice

The climate of employee relations is very positive in this hotel with strong and effective communications between management and employees. It is clear that the general manager's approach does much to foster a good team environment. The owning family is respected by the employees and was referred to repeatedly as a "*good employer".* The general manager ensures that the owner is kept well informed of activities within the hotel and he often initiates a one-to-one meeting between the owner and an individual employee as a means of recognising something that has been done well. He is aware that an individual thank you from the owner is quite powerful in maintaining morale and performance. There were no reported examples of conflict between management and employees. It was noted by one manager that "*there's very few issues in that way between management and staff" (Manager-family member).* This view was echoed by employees also: *"I think that is the way it is because we get on with them, we don't want to let them down, you know…" (Employee 1 Food and Beverage).*

There are strong indications of good two-way communication in operation and a recognition from senior management that it is helpful to listen to employees as "*they want their view heard. Most people want their view heard….. I would let them talk and just nod and then they have it out and they are happier that they have it out" (Manager, family member).*

Staff also reported feeling welcome to contribute to decisions and of being frequently invited to give their input. Employees are invited to make suggestions at staff meetings which are held every few months, but there is ample evidence that they would make unsolicited

suggestions frequently and that these would be acted on if appropriate. It was indicated by management that much of the feedback comes informally from staff "*usually over a cup of coffee in the back office" (Manager, family member).* This openness to suggestions is emphasised during appraisal meetings also, with management quoted as saying: *"look you're out and about and you see lots of things in different places and always feel free to come back and tell us. We are always open to new ideas" (Manager- family member):*

> *"and the girls that are on the desk, they are so good. They are really good at looking at the rates and you would get an email, "Oh, I think we should do this, I think we should do this," and coming up with ideas and they're just good girls that are on the desk at the moment .." (Employee 3, reception).*
>
> *"and the strong ones would be very forthcoming with ideas and plans and we wouldn't knock them we would discuss them and see if it's viable or not" (Manager, family member).*

4.4.3 Summary of HR Practice

There is evidence that the formal HR policies in existence in this hotel reflect a strong commitment to legal compliance and this perhaps reflects the legal background of one of the family members involved in the business. In part, there is also some evidence of a more sophisticated approach to HR specifically in the areas of performance management and reward where appraisals are established on an annual basis and also in the alignment evident between performance and reward for management level staff (e.g. bonus arrangements). At the employee level the occasional discretionary elements which are provided to staff outside of the contractual obligations are seen to serve as motivating elements. Overall, despite a backdrop of formal HR policies, provided primarily to ensure legal compliance, it is clear that informality dominates. That this is a reflection of the management style of the general manager is not contested.

The manner in which employees are treated by the owning family centres around respect and fairness and despite there being evidence that entry level staff are not overpaid, overall staff seem very happy with the work environment. This aligns with existing findings relating to employee satisfaction in SMEs (Forth et al., 2006).

Table 4.7: Overview of HR Practice in 4starTown

HR Area	Policy in Place	Comment
Recruitment and Selection		
Recruitment and Selection	No	Selection decisions delegated to functional managers.
Equal Opportunities	Yes	Included in Staff Handbook.
Induction	Yes	Variable depending on area joined.
Probation	Yes	Probation monitored as per policy included in Handbook
Performance and Reward		
Internal promotion	Yes	Commitment to internal promotion but limited opportunities due to size.
Performance Management/ Appraisal	Yes	Well established but variable application in different functional areas.
Reward above minimum wage (entry level roles)	No	-
Uniforms and meals provided	Yes	-
Staff bonus	No	No contractual bonus.
Management bonus	Yes	Dependant on achieving agreed targets.
Gratuities to all	No	Staff manage the distribution of tips.
Additional reward elements	Yes	Christmas party, occasional thank you token or individual recognition token from owner.
Established structure for pay increases	No	-
Time off in lieu	Informal	Not stated.
Training and Development		
Training	Informal	No policy in place but commitment to training evident with frequent examples of on-the-job and more limited examples of off-the-job training given.
Employee Voice		
Grievance and Disciplinary	Yes	Included in Staff Handbook.
Communication	No	No policy in place but numerous examples of effective informal communication channels.
Trade Union recognised	No	-
Documentation		
Contract\Statement of terms and conditions	Yes	-
Staff Handbook	Yes	Legal compliance evident.
Job Descriptions	Yes	Compliance rather than operational benefit.
Employee Safety Handbook	Yes	Included in Staff Handbook.

4.4.4 Determinants: A contextual review

4.4.4.1 Product and Labour Market

Overall there is a high level of competition in the four-star hotel market. This hotel has survived a difficult economic recession and is again experiencing a growth in business. As outlined in table 4.8 below the hotel actively serves two distinct segments of the market having previously opted out of the wedding market segment. During the normal working week the customers are primarily business guests, while at the weekends the hotel's focus is on accommodating party groups such as 'hen' and 'stag' parties. While the hotel doesn't identify itself as having a niche in the market in terms of the weekend trade, it recognises its physical location and the established nature of the business as offering some benefits. Nevertheless, it was noted that *"we market it as a family hotel" (General Manager)* and such positioning of the hotel is seen to offer certain advantages.

The labour market within which the hotel operates might be described as favourable with a good supply of staff available in the local area. The hotel manages to recruit the majority of its staff without resorting to paid advertising or the use of employment agencies. Staff turnover levels are not identified as an issue.

4.4.4.2 Strategy and strategic choice

There is evidence that the strategy for the hotel is clearly established and this process is driven by the owner but with the clear involvement of the general manager. It was acknowledged that the emphasis recently has been on shorter-term goals and this may reflect the more difficult economic climate in recent years.

Managers within the hotel are noted to have agreed annual targets and seem to have a good understanding of how the hotel is performing on a weekly basis. This sense of direction is reflected in a more sophisticated approach to HR, especially with respect to performance and rewards. Strategic goals are not formally communicated to all staff but there is a stated presumption from some management that the general direction of the strategy would filter down and form part of the awareness of employees at all levels. Employees, for their part, didn't specifically refer to the strategy as having relevance for them in their daily working routines.

4.4.4.3 Customer influence

Customer feedback is actively encouraged. As an example, guests are invited to report on the suitability of the room early in their stay, when a courtesy call is initiated by reception approximately ten minutes after check-in. They are again asked for feedback on check-out with follow-up questions as appropriate. This information is recorded in a comment book held at reception and which is checked regularly by the owner.

Staff expressed confidence that they know if a customer is happy from the face-to-face encounter, but feedback is also collected from the comment cards and from other sources including direct contact and social media reviews. Poor reviews or critical comments from comment cards are followed up by the general manager. In terms of feedback *"the bad is probably more important than the good. We don't get much bad but it is more important than the good" (General Manager).*

There is an accepted view that the customer's view is important in the evaluation of service. From an analysis of Tripadvisor reviews conducted for the months of July and August, 2016 and 2017 it was noted that the majority of reviews for this hotel were positive but some mixed and negative comments also appeared. There was a marked increase in the number of reviews responded to by the hotel between 2016 and 2017. In the selected months in 2017 100% of reviews were replied to, while in 2016 the comparable figure was 17%. (The change in approach seems to reflect renewed priorities on the part of the general manager). The significant majority of reviews referred to staff as a factor contributing to guests' impressions with just over a quarter of all reviews silent in relation to the impact of staff on their experience.

However, a view was expressed by some employees that customers tend to complain more now than in the past and expect something to be done for them. This view was echoed by one family member who reported that *"customer feedback is very important but I wouldn't hang my hat on it you know. I definitely would be taking some of what's said with a pinch of salt because some people, there's just no pleasing them, there just is no pleasing them"(Manager- family member).* This quite measured response by management possibly ensures that the worst excesses of social media are avoided. The recognition that you can't always please all customers was also reflected by an employee who commented that *"sometimes no matter what you do, you could bend over backwards and they're still going*

to complain, and the cheaper rate they pay, the more they want and the more they complain" (Employee 3, reception).

There were examples that employees may adjust their performance somewhat to ensure a "fussy" customer is still satisfied. This sometimes includes an approach of "*kill[ing] them with kindness" (Employee 2, front and back-of-house).* There was a suggestion by one employee that this can be a good way to engage with such customers because then *"if they complain, what can they complain about?" (Employee 2, front and back-of-house).* Despite the fact that customers may require different levels of interaction or standards of service, the focus is primarily on satisfying the guest. There is a recognition that the customer may not always be right but it is still important to keep him/her happy. This view was strongly represented by the general manager who stated that *"my main aim is that the customer leaves happy and I will do anything to make sure that they do …"* and *"[the staff] know my philosophy, that sometimes you know you are right but you just have to shut up and say sorry (and you know you are right) but just suck it up and we can deal with it afterwards" (General Manager).*

While employees reported that they would do what they could to resolve a customer complaint there was a fairly consistent view that all but the simplest of complaints would get passed onto the supervisor on duty. Employees seemed happy to get it off their hands and felt that there is support from management in the case of dealing with a difficult customer. Getting a supervisor or a manager involved is the policy of the hotel in such situations, and this is recognised by management as appropriate, because staff may need to be protected from an abusive customer and also due to the fact that the supervisor "*would be sufficiently trained in how to deal with complaints" (Manager, family member).* Management also expressed the view that they would deal with complaints in this way as they "*also feel an obligation to protect the employees" (Manager, family member)* who are often young. Where the supervisor encounters difficulty in resolving a complaint the general manager would become involved but essentially the supervisor would deal with the majority of issues raised:

> *"I try to step back a little bit more. I suppose I would be the buffer. If the staff member can't handle it, it would go to the supervisor and basically if the supervisor can't handle it, it's left to me and they know that I really want them to handle it themselves*

but if they feel that they are not going to get anywhere then they come to me" (General Manager).

There was strong evidence of the regular customer becoming *socially embedded* in the fabric of this hotel. Examples were given of a member of staff bringing soup to an older customer who was a regular guest while he was ill. Additionally, a couple of the very regular elderly customers were also invited to join the staff Christmas party.

4.4.4.4 Owner and family influence

The owner of this business is not based on site but visits on a weekly basis, while another family member with responsibility for HR is on site one day per week. A third family member is involved mainly with another business and therefore has only very occasional input into the hotel. As second generation family involved in the operation of the hotel family members have had experience of working in the family business from an early age. The influence of the owning family is apparent to all employees with all staff interviewed referring positively to the relationship with the owners. Throughout the interviews with staff there was regular reference to the fact that the family is considered to be a good employer. One staff member commented that *"they're a lovely family. You couldn't work for nicer people" (Employee 3, reception).*

Despite not being based on site, the owner clearly knows his staff and takes time to ensure that they feel recognised for their contribution to the success of the business. Employees commented very positively about the relationship with the family indicating that the staff would have *"tremendous respect for the family because they are very fair" (General Manager).* This contributes to a strongly expressed sense of loyalty to the family which is likely to positively influence employee behaviour.

4.4.4.5 Management Style

The owner of this four star hotel seems to have an excellent working relationship with the general manager (GM) and a high degree of trust is evident. Responsibility for the day-to-day operations of the hotel is delegated to the GM with regular communication between both parties on relevant issues. A good degree of autonomy is a key feature of the working relationships here with the general manager stating that the owner "*wouldn't have anything to do in terms of day-to-day running, the accounts etc., they all come through me and I spread it out the way and then report to [the owner] monthly or whatever" (General Manager).*

Reflecting on the owner's approach to management it was noted that he "*lets his managers manage and will let the results decide if that is the right way or not" (General Manager).* This trust is also reflected in the way the general manager interacts with other supervisors and employees and this is recognised and valued. There is a lighter touch in terms of supervising staff with autonomy being recognised by supervisors and managers as part of the style of management in operation. The general manager reflected that *"a lot of them would be self-supervised" (General Manager).* Supervisors would have the discretion to make decisions on relevant issues without requiring the approval of more senior management e.g. the authority to let a member of staff go home early etc.

There is strong and consistent evidence of a very open style of management with the GM being described as hands-on in style and very approachable. In his own words: *"the staff can say anything to me and I can say anything to them and there's no issue. We can have a row and get on with it five minutes later" (General Manager).* Equally, employees reported that the GM will do his best to take care of any issue that an employee brings to him without delay, with employees noting that they don't have to wait until appraisal to raise an issue.

There was a recognition that the current management style adopted was easily distinguishable from that previously in place. The previous general manager adopted a hierarchal approach to management and was described by the current general manager as someone who *"wouldn't carry a plate, wouldn't pull a pint"* and *"would have been old style"* (*General Manager*) in his approach. As a result he was noted to have had a more distant relationship with staff. The current style is considered appropriate in the context of the hotel and is "*"probably a better route for the size of hotel that we are" (General Manager).* Size is also seen as a determining factor in the management approach deployed with one manager reflecting that *"everything is hands-on here. It's a small organisation so hands-on is the easiest way, we manage from the floor as I call it, and it's the easiest way to control everything" (Food and Beverage Supervisor 1).*

The style of management currently in operation strongly reflects the personal preference of the general manager and was accepted by the owner "*as the way to go" (General Manager)* when it became clear that this philosophy was delivering benefits in terms of the friendliness of staff and increased income. The current management style identified as being relaxed and open in nature is perceived to fit with the culture of the hotel. A family member summarised as follows: "*it just wouldn't suit us to be any other way. So that's it, that's the way we are"*

(Manager- family member). This informality affords advantages in terms of increased opportunity for effective communication and this was reinforced by the general manager who commented that *"our management structure would be very informal , as you can see there's no ties or anything like that, we all dig in together and so [things] would come up in conversation" (General Manager).* Although reporting structures are formalised, there is evidence that in reality employees can sometimes choose the person to whom they report:

> *"I know [x] is over him but sure, you'd go to the two of them kind of 50/50" (Food and Beverage Supervisor 2).*

The general manager was noted to be involved in all aspects of the activities in the hotel and this was in direct contrast with the previous management style who "*would be just in the office at the back and…. you only spoke to them when you kind of had to" (Food and Beverage Supervisor 2).* Working relationships seem to have improved under the current general manager also with an employee stating: *"people work for him really well and I think people want to, want to do a job well for him because they respect him …" (Employee 3, reception).* This is considered an improvement on previous management arrangements: *"When the last manager was here, I don't think everybody worked as well together .....He wasn't trying to pull everybody together" (Employee 3, reception).* Employees reported that they felt they could go to management with any issues that they had and could easily give their point of view and this was recognised as a positive development:

> *"The managers wouldn't have been as approachable as they are now …… it's got better. It's better for the employees as well" (Supervisor 2).*

There are many examples of 'give and take' with staff which is regarded as having beneficial outcomes for the employer as needs might often arise at short notice:

> *"but I know if I asked a member of staff, one of the team to do something they'll do it because they don't want to let me down, not because they have to do it. And that to me, you lead by example, be it wrong or right. Since we changed the hotel's philosophy we started making money and we have smiley staff" (General Manager).*

> *"we don't, like, take advantage of it, you know, when they are laid-back so, but if they need something done, we will do it for them, you know……It's because they are good to us, we are kind of good back to them" (Employee 1).*

The general manager recognises that a key part of his role is to manage the relationship with

staff and that these relationships between management and employees are fundamental to the operation of the business. There are very few layers of management with essentially no middle management positions and the general manager shows an awareness of his personal management style when he comments: *"I don't do meetings I do chats and coffee, I don't document probably very well but I would do an awful lot of team building but not in the formal sense" (General Manager).*

The owning family are described by employees as "*lovely people*" who have shown in many different circumstances that they will go further than they are obliged to in order to take care of their employees:

> *"I feel that they could talk to us if they have problems and they have done, and people have come with serious problems and worrying things for them and we've helped people out where we have been able to" (Manager, family member).*

> *"I would think that we are very family-orientated and I would know most of the staff here" (Manager, family member).*

Employees feel that they belong to a staff team that would help you out if you have a problem and this desire to support the other members of the team was widely apparent:

> *"I pretty much get on really well with them. They're just easy and if you're having a problem, it's not a problem if you go to them about it kind of thing, you know" (Employee 1).*

The sense of team is contributed to by employees helping each other out during busy or pressurised times and was perceived to extend to managers as well as the other employees:

> *"Even if you were having a bad day, there's always somebody there just to, you know, make you smile or take half the workload off you, you know, little things. Say, if I'm on the till at carvery and it's mad, and I have to do the cutlery for the evening, you know, one of the girls would jump in and do the cutlery for me so then, or if I would come in tomorrow morning and the bar, the cutlery might be done, they might have done it last night for me so I don't have to worry about it today, so you know …" (Employee 1).*

"It's just a small team here, you see. Everyone has their own little roles and responsibilities and sections that they work in but everybody works together" (Employee 3, reception).

The team spirit is nurtured in many small ways with the result that staff feel appreciated overall: *"Well, I'd always get maybe two or three hundred euro to bring the girls out during the summer for a night out for dinner or something like that…And a few drinks or something like that, yeah, and then obviously our Christmas party is paid for" (Employee 3, reception).* This was in contrast to the previous management approach which did not seem to engender a team spirit across all functional areas whereas there was recognition that the current general manager *".. has worked really hard" (Employee 3, reception)* to bring the team together.

Overall, employment policies are in place for key areas and legal compliance is high ensuring, for example, the correct bank holiday premium is paid. The staff handbook and documentation such as the contract and job descriptions are consistently provided to employees on commencement. Policies such as performance appraisal, are supported by senior management and are generally applied, albeit with some variance across functional areas. However, policies do not prevent a common sense approach being applied and in practice employees have managed to informally negotiate arrangements that suit a particular circumstances. An example is the stated policy that employees may not avail of holiday entitlements during July and August. In practice, employees working supportively have come up with ways to achieve this with the consent of management providing a practical example of the type of negotiated order (Ram, 1991) often found in SMEs. Overall, the lack of formality in approach in the hotel is apparent to both managers and employees but not considered to be a weakness in this context.

4.4.4.7 Resources

It is clear that the family brings experience, expertise in hotel management, reputation as a good employer, and legal knowledge among other benefits (see table 4.8 below). The involvement of more than one family member in the business helps to retain a unified feel to the operation of the hotel and this brings clear advantages both in terms of customer perception and staff loyalty. While there is no formal membership of industry networks, both the owner and the general manager have a source of informal networks within the industry. This is countered by the recognised resource scarcity that is typical in a small business and the limitations arising from more restricted market segment choice due to the size and

location of the hotel. From an employee perspective more limited internal promotion opportunities also exist reflect a further liability of smallness.

Table 4.8: Summary of contextual influences in 4starTown

Element	**Details/Application/Examples**
Product/Labour Market	Market segment: Corporate (mid-week) and party groups (weekends). Markets served: Mid-value; Variable volumes; competitive. Reputation conscious. Labour supply not restricted.
Strategy	Revenue maximiser. Strong alignment between goals and work practices.
Customer Influence	Strong customer influence. Customers' feedback through social media sites such as Tripadvisor provides an indicator of performance. General manager shows a high level of engagement with dissatisfied customers. Extended level of engagement with customer with evidence of some 'regulars' being socially embedded in business.
Ownership	Strong level of influence. Owner and one other family member present on-site part-time with another member having very occasional involvement. 2nd generation business.
Management Style	Very open and participative management style facilitated through the general manager. Good degree of autonomy. Loyalty a key feature. Moderate task supervision.
Rules	HR Policies reflect legal compliance. Policies and practices provide protection for employer (HR perspective) but considered not very relevant by general manager.
Resources	Familial capital in second generation family business including legal expertise. Reputation as a good employer. Not a member of formal business/professional networks but social networking evident in recruitment activity.

[SME contextual elements drawn from Edwards et al., 2006; supplemented with service descriptors from Herzenberg et al, 1998]

4.4.5 Organisational success

From an employee perspective, success is mostly judged by simply being busy whereas from a management perspective a range of other measures is considered. These include simply keeping the door of the business open, reducing financial overhead and maintaining or improving standards. Employees did not specifically refer to the existence of continual quality improvement initiatives, but improved standards within the hotel were referred to by the general manager as one way in which he might define success. Quality was noted to be about *"maintaining a certain standard, while keeping the doors open so I'm always trying to increase that standard without spending money. And service is important" (General Manager).* There are challenges recognised in achieving good service specifically in "*having the right people who will do the job that you expect them to do, for not a huge amount of money, let's be honest" (Manager family member).* Furthermore, it was claimed by this family member that awards from most industry bodies are perceived very much as a secondary indicator of success.

There is evidence that the level of performance achieved is perceived by employees to reflect the manner in which the hotel is managed. Management also perceive that the way staff are treated contributes positively towards performance outcomes for the hotel. Management report that they believe high staff morale to be very important in achieving good performance and they actively seek to improve morale when there is evidence of an issue which has impacted on it. The proximate management style in evidence here where managers frequently work alongside frontline staff allows for changes in morale to be noticed immediately. The general manager is committed to taking an active role in one-to-one conversations to assist with achieving an improvement in employee morale. He commented that *"if there's a row or something you can see it, you can see the customer care dipping as well. So it's totally linked, so if the staff morale is good then I find it works the whole way round" (General Manager).*

Maintaining a four-star rating for the hotel from the awarding body was not highlighted as requiring a significantly higher standard of service than expected from a three-star hotel but was instead understood to be more associated with the facilities that the hotel had to offer. As such, standards were not seen to be externally enforced by industry bodies but were established and maintained by the management team in various informal ways. It is clear that customer expectations play an important role in this context.

4.4.6 Employee and Employer Outcomes

Employees in general value the benefits of working in a smaller hotel. Examples of these benefits included the reduced structures in place, an appreciation of being listened to and the merits of having an input into decisions (such as rostered hours) which affect employees directly. While they realise that there may be more opportunities for progression in a larger hotel setting, there is an acceptance that limited opportunities for internal promotion exist in a smaller hotel. Despite this there is a strongly stated preference to work in a smaller hotel and this view was echoed by both management and employees:

> *"I would know girls in the other hotels and they get their rosters done and that's it. It's, no, it's nice here, like, yeah. Yeah, yeah" (Employee 3, reception).*

> *"I wouldn't for love nor money I wouldn't want to manage a hotel bigger than 80 bedrooms because then you get into [Heads of Department], you get into structure." (General Manager).*

Staff report that they enjoy working in this hotel and there is a social aspect to it:

> *"then there is customers who would, they do make your day, they're just really nice .." (Employee 1).*

> *"Everybody has their bit of banter and everybody has their fun, everybody works hard but they still have their fun and they enjoy their work" (General Manager).*

> *"I don't think I would be here still after five years if the people I worked with weren't having a bit of banter along with doing it, yeah" (Employee 2, front and back-of-house)..*

It is clearly recognised as being easier to smile and to engage with the customer when the employee is happy in the work environment and in the view of management *"generally they are happy working." [Manager]*. Work can prove to be a pleasant environment for employees and it was reported by a manager that *"they have good fun working and it's kind of an escape from life possibly as well and they socialise together and so on" (General Manager).*

> *"when it's normal, like it should be, it's easy for them, there's no need to be stressed or, you know, they don't have to present. It does come natural but when it's a tough group, it is hard for them" (Food and Beverage Supervisor 2).*

In general, employees seem to enjoy their working environment and the variety that working in a service environment brings:

> *"Well, there's something different every day. It's not the same repetitive thing. I know I'm putting in reservations and answering the phone, but you're talking to different people and it's, there is something different going on and there's different conferences coming in and, yeah, I don't think I could just do the one thing over and over" [Employee 3, reception].*

There are examples of employees having flexibility or the ability to exercise discretion. The feeling expressed by employees is that they are trusted by management. In this environment "*staff are encouraged to do things, to try things and to be innovative and things like that" (General Manager).* This approach further reflects the owner's approach *"No more than myself, [the owner] would allow me to make a mistake, and I allow the manager to make a mistake and the staff and we learn from it" (General Manager).*

Employees are given a lot of scope to manage their own workload and while there is a supervisor available to them if needed, they are left to get on with their duties without intense supervision. This level of autonomy where *"staff are fairly free to get on with it" (Manager, family)* seems to suit the size and the structures in place reflecting the fact that the hotel doesn't have a big management team:

> *"We would like them to use their own vision and their own cop-on and if they see something has to be done then to do it and we kind of reward that as in that one of us would say it to them, like fair play to you for doing that…" (Manager - family member).*

There is evidence that longer serving staff are extensively trusted:

> *"We have a lot of senior people but no managers ...So they would be checked obviously but nobody is sitting on top of them" (General Manager).*

The style of management in operation leads to commitment from employees who seem happy to work flexibly to accommodate the needs of the business. An example was given by one employee of being happy to come into work on a day off and *"if I was on a day off and they rang me to come in, like, I would no problem … because they're good to you and that kind of way" (Employee 1).* There was no sense of this level of commitment being abused or taken for granted by the employer:

"even if we're not working, like, we would still come in because, like, we would know that we have stuff for the weekend, and it's like…. We'll come in and we'll get stuff done for the weekend," and like, we wouldn't get paid for it but we would just do it. It would make our life easier and make their life easier and it's just easy all around" (Food and Beverage Supervisor 2).

Such flexibility was noted to operate in both directions with particular reference to rosters with employees being accommodated if they have other commitments. Employees broadly reflected this reciprocal approach: *"Sure we'll just work around it," like, you know, everyone else will slot in …" (Employee 3, reception).* An example was given regarding arrangements on reception of an employee who *"doesn't come in until four even though her shift is meant to start at three because it suits, like, if it's not putting anybody else out, we don't mind at all because like, people give back more when they get a little" (Employee 3, reception).* An employee in the food and beverage area reflected similarly that *"if I would get an appointment at the last minute and I would just say to [x], you know, "I have an appointment and I have to go." It's never a problem, like" (Employee 1 Food and Beverage).*

The flexibility in agreeing rosters noted above clearly contributes to staff remaining with the hotel: *"They're flexible. I like working here" (Food and Beverage Supervisor 2).* Employees have also described the managers as being very understanding when something happens and an employee needs some variability in working times:

"If I need a day off, I can do an evening shift here if I don't want to lose a shift, you know. Yeah, it definitely was one of the reasons I stayed" (Employee 3, reception).

This type of pre-arranged flexibility in rostered hours is facilitated. However, good timekeeping is considered important and enforced via a clock-in system, with employees who are more than five minutes late having 15 minutes deducted from their paid hours. Consistent lateness attracts a warning to the staff member. But it was reported that most employees understand that lateness results in other employees being put under additional pressure to cover duties as well as their own, and so compliance is the norm. In addition, all staff are flexible to some degree in their duties and some have been trained to work in a number of different areas. Some leeway in finishing times is expected of staff also during busy periods in the hotel.

The staff turnover is low with one employee noting that *"an awful lot of staff are here an awful long time…." (Employee 3, reception).* From an employee perspective this reflects a very positive work environment: *"It's a good environment to work in. You know, it's, you are not just … I know you are a number, but you're not just a number. Like, you know, the owners know you, the managers listen to you, you know" (Food and Beverage Supervisor 2).*

The sense of family and the good working relationships between employees and management makes people want to stay working in this environment. One employee commented: *"there must be a reason why I am here so long, like, I am happy working here. It's, and a lot of the staff are here so long because they are happy here" (Food and Beverage Supervisor 2).*

A strong commitment to the owner and to the owning family is evidenced in the hotel as is reflected consistently in the many discussions with employees and management. An employee stated: *"I would be very loyal to the [family], like. Yeah, they are very, they are very good people. You know, if you had a family thing, or when my husband was sick, you know, he was very sick a couple of years ago, and [x] said, 'Take as much time as you want. We'll pay you. If you need extra money, whatever you need.' You know, regardless of how long you're here that, they don't have to do that, you know" (Employee 3, reception).* This type of approach is perceived as an employer going beyond the contractual commitment and it impacts positively on the behaviour of employees:

> *"Although the family aren't here but it brings tremendous loyalty from the staff because they are very good employers" (General Manager).*

There was evidence of staff going beyond their roles in many situations. Some suggested the image of the hotel as the main motivator for this while others acknowledged that it is often to assist the customer or to help out a colleague. Employees are recognised for going beyond their specified roles to help a guest, not with a financial reward but typically with a personal thank-you or an acknowledgement from management. The owner's role in this type of recognition is particularly significant and adds to the existing perception of the owning family being good employers. This underpins a distinct loyalty among staff.

Extra role behaviour was also evident in the area of emotional labour. In this context, it was apparent that some employees seem to possess a natural disposition towards a service environment and, therefore, are often better able to cope with the demands of emotional

labour generally. In such cases, co-workers would often compensate for each other and in the quotation below an established employee gives an example of where she would cope better than her supervisor in certain circumstances. It is noteworthy that the team atmosphere highlighted in the earlier sections of this case study extends here to a subordinate willingly compensating for a supervisor in a particular set of circumstances:

> *"… it can be difficult, you know, sometimes, but I would be a lot more calmer. You know, I would be more laid-back. I wouldn't let things get to me as much……" "but [x] .. [the manager] can't go near 'hens'…. he just would blow a fuse. You just don't send him out there. If there's a complaint, you don't send him near them, you know" (Food and Beverage Supervisor 2).*

4.4.7 Summary of 4starTown

This case study reviews overall employee perceptions of the HR practices in place. It highlights the significant employee response in terms of an overarching loyalty to the family and this feature is fundamental to positive staff behaviour in every respect. Staff involvement is strongly referenced in this case through their input/suggestions for improvement and the manner in which their loyalty continually supports the endeavours of the business.

The influence of the customer is clearly evident in the hotel both from the manner in which customer feedback is received and the recognition of how the customer influences the style of management and employee behaviour. There is strong evidence of the customer being socially embedded with unique examples given of staff delivering meals to a regular customer while he was ill.

4.5 5star

4.5.1 Background/case outline

When you pass through the gates of this five-star, award-winning hotel you immediately become aware that nothing is left to chance. The attention to detail is as evident in the attractive grounds as it is in the immaculate and tastefully furnished entrance rooms where a very personal welcome awaits. Located in a rural setting in Ireland this hotel has gradually grown to its current size. Currently having over 70 employees, this is a privately-owned, first generation establishment which is non-unionised.

The hotel owner is not on-site on a regular basis and so the business is managed by the general manager with input from the owner on a weekly basis. Key functional areas with relevant responsibilities are established, but due to the size of the hotel some functions may be jointly managed and administered by one staff member. The responsibility for HR is one such example, forming half of the Accommodation Manager's role. The operational demands of shared responsibilities constrain the time that is dedicated to the HR function to some degree.

4.5.2 HR Practices

Formalised HR policies were seen to be in operation in a range of areas such as Recruitment and Selection, Equal Opportunities, and Grievance and Disciplinary aspects. Beyond the formalised policies, HR practices are clearly established in areas including induction, the management of probationary periods, the timing of holidays, time in lieu of additional hours worked, and internal promotions.

Employees seemed to understand the pragmatic constraints that a smaller organisation might need to address in putting policies in place. It was mentioned by management that often there's *"not really a set policy in place because we are so small" (Manager 3, Reservations).* An example could be seen in the manner in which internal promotions are managed. While there is management support for internal promotions, there is also an acceptance on the part of employees that size limits the opportunities available to some degree: *"The problem is obviously positions. It's such a small place" (Employee 4, back-of-house).*

4.5.2.1 Recruitment and Selection

A written HR policy is in operation in the area of Recruitment and Selection. The variety of sources of recruitment utilised included word-of-mouth, advertisements, recruitment agencies, social media, and networking sources. The selection process was not by any means ad-hoc and there is a clear commitment to getting the right person for each available vacancy. Use is made of a multi-stage selection process with evidence that the person requirements are determined by the Head of Department in conjunction with the HR specialist to provide a skills matrix facilitating assessment of candidates against the identified requirements. In addition to the use of the selection interview, which could include second and third interviews on occasion for more high profile jobs, work trials are consistently used to assess the suitability of new employees. The general manager is directly involved in all recruitment and selection activity, reflecting the significance of appointing the best person to fill every vacancy. Additionally, the owner will meet with the recommended applicant for all supervisory and managerial positions before job offers are confirmed.

An overriding consideration that focused on 'recruiting for personality' (Manager 1, Accommodation/HR) more than skills was strongly in evidence and considered appropriate to the majority of roles within the hotel. The principle of not seeking new employees who already have hotel experience for the bulk of entry-level roles may be considered to be at variance with the norm in an upscale hotel. However, this is a clearly articulated decision from the owner who is keen to make his hotel something more special than the standard five-star experience. The emphasis on personality reflects the manner in which employees are expected to interact with customers. It was recognised that there is somewhat less of a distinction between front-of-house and back-of-house staff, with housekeeping staff for example being encouraged to interact with the customers and not just remain behind the scenes. One member of housekeeping staff reflected that *"It's different here. It's expected of you. If a guest stands to speak to you, you speak to them … but that's part of the work here" (Employee 1, Housekeeping).* Hence the important requirement for personality-fit in a range of areas within this hotel.

A significant commitment to induction was in evidence with an established programme of activities including an extensive walk around of the property with the HR specialist having become the norm. Typically, induction activities for a new member of staff last most of the first day. A clearly documented introduction to the culture and vision of the hotel is also included in the form of an additional booklet which *"is only four or five pages and it's about*

the vision and mission and stuff that's really important, that you need to know … before you start" (*Manager 1, Accommodation/HR).* Employees are then gradually eased into their new roles starting "*very much behind the scenes and they get gradually brought out, comfortable, and then very, very small jobs, and nobody's put in until they have the confidence" (Manager 1, Accommodation/HR).* A system of new employee reviews by the relevant manager after one month and three months was also in place, although limited time resources did not always permit a centralised follow-up in each case.

4.5.2.2 Performance and Reward

Performance appraisals are conducted throughout the hotel, although both management and employees concede that these may not happen as regularly as they should. There is a recognition by management that the practice around performance appraisal should probably be more formal, but other areas of operation have been prioritised to date and it is the intention of the general manager that this will be addressed in time. Despite this, there are many informal feedback opportunities available which may partly compensate for this (e.g. regular team meetings and frequent informal interactions between the general manager and employees). Notably, the imprint of the owner was also evident in performance standards, when he might subtly but influentially communicate to employees during his occasional visits as to how he would like to see things done within the hotel. Additionally, there were examples of very different approaches to the setting of goals and targets as part of the performance management system. Employees recognised that the approach to performance appraisal was developmental in nature rather than being a direct determinant of subsequent salary increases.

Reward practices included payment above the minimum wage for all positions. This was seen to reflect the service expectations in place with a commitment to "[paying] *people decently to give the level of service we want to our guests" (Manager 1, Accommodation/HR).* But this practice also reflects the owner's view: "*we do pay above minimum wage across the board because again, we're fortunate to be in the position that the owner believes that that should be the case" (General Manager).* A Sunday premium was also paid and staff are eligible to receive a pay rise after two years' service.

Some additional elements such as uniforms (provided and laundered), meals, a stay-over after one year's service, and a system of gratuities being shared out among all staff, form part of the reward package. A bonus arrangement was also in place for management.

Additionally, staff are recognised for their contributions, with regular feedback and a simple thank-you as a common feature. In addition, a Christmas party is provided for staff *"and partners are brought in. There's a meal put on. Drinks are all paid for. It's a fantastic … There's a band. It's a great evening" (Manager 3, Reservations).* Overall it is recognised that "*the staff are very well-looked after here" (Manager 1, Accommodation/HR).*

4.5.2.3 Training and Development

There is a strong commitment to training and development with examples of both in-house and off-the-job training being provided. Statutory training requirements such as fire safety and manual handling are initiated and coordinated by HR with other training requirements identified by the relevant Head of Department as these arise. There was evidence that this may happen through the performance appraisal process but not exclusively so. Additionally, employees expressed confidence that if they identified a personal training need that it would be facilitated by the hotel. At supervisory level an example was given of a three-day training course provided by external trainers in the hotel. One supervisor commented that they thought that it "*was all going to be policy and it actually turned out to be really interesting, like about .. different characters and why they clash and to look out for them in your groups and things like that, like, so that was good" (Employee 4, back-of-house).*

New staff work alongside experienced employees until they are competent to perform the role. The consequences of having untrained staff were noted with one employee commenting that *"one person that doesn't have the training …… would really stand out and that's not fair on the staff, the hotel and certainly not the guests" (Manager 1, Accommodation/HR).* The implications of recruiting staff who may not have previous hotel experience was brought up and *"it could mean that instead of training someone for a week, we'll train that person for six weeks, but that's an investment that we're willing to make" (General Manager).* While it is recognised that most new staff would "*have the first basics within the first couple of days" (Manager 2, front-of-House)* there were examples of extended handovers as part of this initial training, with one manager reflecting that *"afterwards when I started, he actually spent a week with me here as well"(Manager 4, Restaurant).* It was notable that there was no dissenting voice to the approach of getting the right people and then training them when they join as employees. This level of commitment to training goes well beyond what might be considered typical in any hotel environment. Interestingly, this level of training is at variance with the existing literature reflecting practices in higher star-rated hotels (e.g. Marco-Lajara and Úbeda-García, 2013).

4.5.2.4 Employee voice

In the absence of a recognised trade union in place in this five-star hotel, an evident commitment to the owner's vision in developing the business forms the backdrop to the employee relations climate. The clear and overriding importance of the customer experience in this setting makes for a strong sense of unity in relations between management and employees**.** The current management style has further contributed to positive employee relations with the approach to change management being carefully navigated by the current general manager. Employee buy-in is secured for incremental changes and respect and trust are consistent themes identified. Cumulatively, these elements help to maintain the team spirit that has been established in 5star.

This team spirit is noted by employees who reflect that *"yes, we work hard, but it's unique, like, it is a great place and I personally think we have a great team" (Manager 3, Reservations).* Additionally, the method of allocating gratuities further supports the sense of team. It was noted that *"it's fantastic because in some hotels, some people get tips and some don't. Here, it's spread evenly between the gardeners and everything" (Manager 3, Reservations).*

There is evidence of a strong commitment to effective communications within this hotel with frequent opportunities for two-way communication. Daily meetings, a practice that seems to have been established since the arrival of the current general manager, together with additional written follow-ups, are perceived by staff as a very positive development: "*after the 11am meeting, there's an email sent out …, like, the minutes, we call them, just structuring the day and that it's all written down so that everyone can see again …" (Employee 3, Restaurant).* A monthly Heads of Department (HoD) meeting takes place and this is supplemented by monthly one-to-one meetings between the general manager and each Head of Department. In the opinion of the general manager this gives managers "*a chance to bring up concerns that they may have, and then we reiterate then again sort of what's going well and what's not going well and what's the aspiration and how we're going to get there basically"(General Manager).* In addition, there are two all-staff meetings, one at the beginning of the season and another half way through the year. While the general manager notes that he "*would like to have more of those…, operationally, it's difficult when we are open to get… to reach everybody" (General Manager)*.

The importance of effective communication is well understood, with one employee summarising this as *"Simple communication is the key, you know. That's it. It's as simple as that" (Employee 2, front-of-house).* Overall, staff reflected that "*communication is pretty good here and I suppose we have regular briefings and meetings" (Employee 3, Restaurant).* In addition to the daily and the all-staff meetings, a staff newsletter has recently been reintroduced. A suggestion box is also available, although both employees and management recognise that it is used infrequently.

These formalised systems are supplemented by informal, regular one-to-one chats which facilitates two-way communication. Furthermore, the role of technology is relevant here with IT systems providing additional detail. This is considered helpful *"yeah, and even on computer-wise, there's everything on there from bookings, activities, non-residents coming in" [Employee 3, Restaurant).* Staff recognised the operational benefits of effective information sharing and that "*if we were to keep all that information to ourselves, it's just not going to run, and then are you going to be here 24/7?"(Employee 3, Restaurant).*

There is an apparent openness to suggestions from staff with interviewees reporting that they feel they have an input into decisions that affect the hotel. Often this can take place in in very informal ways. For example, the general manager *"will talk to the …. team at the front and get ideas and, on a more one-to-one basis and sometimes it's just a bit of a chat in the gallery but it gives people that open forum…"(Manager 1, Accommodation/HR).* There were numerous staff references to the manner in which decisions are made *"You're involved in decision-making processes. You're asked for your opinion" (Employee 4, back-of-house).* The majority of staff agreed that suggestions for improvement are welcomed:

> *"That's what they want. You know, where can we improve? Where can we move forward? You know?" (Employee 1, Housekeeping).*
>
> *"They know they can go to anybody and they suggest it. So there's never an issue. There's never an issue with someone saying, "What would … What if we do this?"(Manager 3, Reservations).*

Examples were given of the type of issues that are raised:

> *"but we did sit down with [X] this year and it is that we need to get the hours down to 40 and everybody needs to have a work-life balance which is, like, that's the*

culture coming back again, like, it's them seeing the problem and saying, "This is what we need to do" (Employee 4, back-of-house).

"You have to go to him and say, "I want to reduce the hours. This is the budget. This is the figures. This is how it's going to work," and he'll say, "Yeah." If you can justify it" (Employee 4, back-of-house).

While there was a view expressed in one interview that more could be done, overall the evidence is that staff feel listened to by management:

"but I think sometimes here maybe they should sit everyone down a little bit and go, we're thinking of doing this, guys. What do you think?"(Employee 2, front-of-house).

Staff get regular feedback, often in informal one-to-one ways *"because I would certainly not hesitate to say if something wasn't right, I would definitely make sure that the Head of Department knows, so it's important that if it's something positive, they know it as well" (General Manager).* Feedback from customers in the form of letters, email and social media reviews such as Tripadvisor are communicated to the employees with the following examples given *"even when letters come in, when staff' names are mentioned, or if an email comes in, it goes around every department just to say, "Well done, this …" So we pass all the thank-yous on. They are there for people to see" (Manager 3, Reservations).* Significantly, both positive and negative feedback is sensitively communicated to the individual employee and their Head of Department. For example, where positive feedback from comment cards is received frequently about a specific employee the general manager actively avoids a public recognition of this feedback as he doesn't wish to imply that other staff are not doing their jobs well. He recognises also that some staff inevitably have more exposure to guests than others. Direct customer feedback is also received. For example, *"if somebody says, "Oh, that was amazing." We do get that feedback throughout the service….but you also get the other side….also… if they say, "Oh well, maybe, the portion size was a bit small" and that. They do say that as well, you know……You get feedback, you get constant feedback" (Employee 4, back-of-house).*

4.5.3 Summary of HR Practices

Human capital and the value of people in delivering high level service is a strong and consistent theme within this hotel as reflected in both the policies and practices in place. The HR practices in evidence could be described as being semi-formal in nature, and were complemented by the existence of a comprehensive and professionally presented staff handbook. The handbook is acknowledged by management to be in place to support legal compliance in key areas. Beyond legal compliance, it is also intended to include clear expectations regarding aspects such as timekeeping and attendance, personal hygiene and grooming (for example). Overall, policies and procedures were noted to have increased gradually resulting in a somewhat expanded level of formalisation in keeping with the growth of the hotel. But there is a recognition that policies bring you only so far, with an employee concluding that "*I don't think you can ever follow policies and procedures in every situation. ……You just need to be natural in yourself about it" (Employee 3, Restaurant).*

An understanding exists that the hotel business with its inherent customer service is first and foremost a people business and this is reflected in the focus of everything from recruitment, induction, performance, training, employee engagement to customer service. It is noted by employees at all levels within this business that personality is key and there is a clear commitment to concentrating on this priority in each selection decision that is made. Table 4.9 below summarises the HR policies in place in 5Star.

Table 4.9: Overview of HR Practice in 5star

HR Area	Policy in Place	Comment
Recruitment and Selection		
Recruitment and Selection	Yes	Significant effort devoted to Recruitment and Selection at all levels. Select for personality.
Equal Opportunities	Yes	Equal Opportunities Policy and Dignity at Work procedure included in staff handbook.
Induction	Yes *	Consistent practices applied. Very gradual immersion into roles.
Probation	Yes *	Consistent practices applied.
Performance and Reward		
Internal promotion	Yes	But opportunities limited due to size.
Performance Management /Appraisal	Yes	Job chats and six-monthly performance appraisals in place. Some variation in timing noted.
Reward above minimum wage (entry level roles)	Yes	Approach considered to reflect the philosophy of hotel management.
Uniforms and meals provided	Yes	Uniforms provided and laundered. Meals provided to employees.
Staff bonus	No	-
Management bonus	Yes	-
Gratuities to all	Yes	Gratuities shared among all staff on a periodic basis.
Additional reward elements	Yes	Additional paid leave provided e.g. sick leave, compassionate leave and jury service leave. . Christmas party provided, stay-over after one year of service.
Established structure for pay increases	Yes	Pay increase after 2 years' service.
Time off in lieu	Yes *	-
Training and Development		
Training	Yes	Both on and off-the-job training provided. Tied to intensive induction.
Employee Voice		
Grievance and Disciplinary	Yes	Documented in staff handbook.
Communication	Yes	Formalised structures supplemented by informal mechanisms to facilitate effective two-way communication. [delete] Numerous sources of feedback including Management, Customers (via social media, comment cards and face-to-face).
Trade Union recognised	No	-
Documentation		
Contract/Statement of terms and conditions	Yes	-
Staff Handbook	Yes	Includes a considerable range of policies/procedures.
Job descriptions	Yes	Interpreted pragmatically – not perceived to limit duties.
Employee Safety Handbook	Yes	

* Established practices in place

4.5.4 Determinants: A contextual review

4.5.4.1 Product and Labour Market

The market for five-star hotels may be generally regarded as very competitive. However, it is clear that this business occupies a niche in the Irish market. While it sits within the luxury hotel category and is described as a five-star property, the business does not find itself to be in direct competition with the majority of established five-star hotels in Ireland. As a luxury hotel, its customer base is comprised of an established overseas clientele and a growing Irish market, with increasing numbers of repeat guests. It is notable that the hotel has managed to grow its customer base during a period of economic recession and has continued to establish itself as a location of choice within the sector. This success has been recognised though the achievement of some significant national and international industry awards.

The market for the hotel is comprised of a combination of overseas and domestic guests seeking a luxury location for a relaxed holiday. The prospective market is therefore somewhat unique, as it is not dependent on traditional segments such as weddings or tour visitors. The hotel brand is clearly recognised as being of significant importance with the discounting of rooms to achieve occupancy not considered an appropriate strategy for a luxury hotel brand.

The labour market within which the hotel operates might be described as favourable, with no significant difficulties experienced to date. There is no evidence of staff turnover being a concern and the focus on long-term hires is well aligned with the extensive level of staff development which is the norm here. However, there is an awareness that location, situated as it is in a rural setting, may provide a challenge to the ongoing recruitment and possible retention of staff as the hotel continues to grow and as the economic climate improves. It is recognised that some staff "*started off in regular three-star hotels*" *(Manager 4, Restaurant)* but specifically worked their way up "*to try and get four star, five star [experience]" (Manager 1, Accommodation/HR)*. This preference to work in a five-star environment when combined with the employer's already-established brand within the sector may prove a relevant consideration and be a positive factor attracting quality staff into the future.

4.5.4.2 Strategy and strategic choice

As a five-star property there is a clear vision to strengthen the market position of the business as an exclusive resort. Both management and employees demonstrate a commitment to this vision and the strategy is clearly aligned to supporting such a philosophy. Heads of Department are directly involved in realising this strategy: "*As a Head of Department …… we very much have our vision and mission statement and, you know, but I suppose as a Head of Department, we are very aware of the bottom line…..So yeah, we would all very much be in the know of what's needed and what's required" (Manager 1, Accommodation/HR).* There also is evidence that staff at all levels within the business regularly consider the impact of their actions in terms of the overall strategic direction of the business. This unifying vision is firmly embedded in the day-to-day roles of employees and contributes strongly to a commitment towards achieving excellence in all aspects of the hotel's operations. That commitment to excellence is demonstrated in the manner in which employees treat each guest and it was acknowledged by one employee that "*every guest is so important nearly that when you get the VIP that comes in, they are treated the same because it's at that standard already, you know" (Employee 4, back-of-house).*

This collective awareness of the vision reflects a particular style of management and an understanding of the value placed on team members in advancing the mission of this hotel. The general manager reflected this when he recalled that at an all-staff meeting earlier in the year *"I did say, I did remind everyone … I shared again the vision and the aspirations and the progresses that we made last year because it's all good and well to know that at management level but quite frankly, it's not me who does it. It's the team so they need to know, so we share that" (General Manager).*

4.5.4.3 Customer influence

The hotel standard requires that the customer's needs are attended to as completely as possible: *"So the guest gets what the guest wants because I could do it. So… if you can do it, you will do it" (Employee 4, back-of-house).* In this sense the customer is king. Staff fully comprehend that it is their job to satisfy the customer reflecting the view that if *"we have enough time notice to do it, we'll do it, anything that they can require" (Employee 4, back-of-house).]*. This is noted to be at variance with the established thinking in other hotels, where "*I think in larger hotels, I think the finance is always put first whereas here I find it's the guests and the satisfaction of the guests that's put first" (Manager 3, Reservations).* A similar view was echoed by other restaurant employees:

"so for me, it's all about the lasting view in the restaurant. You know, if you see that somebody is very uncomfortable and not happy, then you know that they're not having a very good time and you kind of try and switch that around, even whether it's just a general conversation, breaking it down to get to know them and it's kind of having a familiarity with them as well, something in common with the guest, that you can kind of base the conversation around. And sometimes that can just turn their attitude around completely" (Employee 3, Restaurant).

It is recognised by staff at all levels that it is the customer who evaluates whether the service is good or bad and this is the most relevant evaluation. It was suggested by one employee that *"Your business is built around guests and if the guest is not happy, you don't have a product" (Employee 4, back-of-house).* These guest evaluations are based on expectations whether pre-existing prior to arrival or those that develop during the stay. Great attention to detail is required due to the *"the calibre of people that stay here and what they expect …" (Employee 1, Housekeeping).* This includes the knowledge gained from a guest's previous visits to the hotel where preferences may be noted. One employee reflected that repeat guests like to be remembered by the staff and this extends to all employees including housekeeping, for example, and so "*It's the little, the little things, you see" (Employee 1, Housekeeping)* that make the difference. There is even evidence of some level of networking between other five-star hotels where the guest may have previously stayed, with particular customer preferences being advised between staff contacts in both hotels on an informal basis.

There is a clear commitment to an "exquisite" experience for visitors with employees reporting that *"we will do everything which is humanly possible to make sure that our guests have … that experience…" (General Manager).* In the words of another manager *"We just want everyone to go away from here happy" (Manager 3, Reservations).* Management stated that this is the reality commenting that the employees will "*easily do anything for the guest, they really will" (Employee 3, Restaurant).* An example was given of the attitude of one of the chefs who "*says it every time. 'I'm all about the guests' (Employee 3, Restaurant).* In pursuit of the commonly stated objective "*to be one of the best hotels in Europe or in the world" (Manager 4, Restaurant)* it is noted that *"the first answer is never no, is never no. We may not be able to do what they wish, but the first answer is never no" (General Manager).* Even using the phrase 'No problem' is discouraged as this may imply a problem of some nature is perceived.

There is an expressed expectation of continuous improvement with an acknowledgement from one employee that *"your expectations of yourself grow"* and *"you look at things in a development kind of way as in, like, well, this is what we do. How can we do it differently? Extra, better?" (Employee 4, back-of-house).* A similar sentiment was presented by another employee "*You always have to go, just do that little bit more and push yourself just that little, you know"(Employee 1, Housekeeping).* Despite this level of commitment, it is clear that the service industry brings a realism too to what may be achieved in some circumstances, which was reflected by one employee who commented *"I think if you're doing your best and it just doesn't work out, that's, there's nothing more you can do. You can only do your best, you know (Employee 2, front-of-House).*

Customer complaints seem to be infrequent with occasional suggestions for an improved or altered service a more likely encounter. This was reflected in the statement *"we would very rarely get a negative but, yeah, you would get an odd one" (Employee 2, front-of-house).* On the occasions when it is not possible to satisfy every request there is some evidence of customers' expectations being managed with the merits of an alternative option being suggested:

> "*And we'll do our best but there is an odd time when it's just physically not possible" (Employee 4, back-of-house).*

In addition to face-to-face feedback from customers, there are opportunities for feedback on the level of service via comment cards, a visitor book, from social media sites including Tripadvisor, and occasionally thank you letters from guests provide a source of insightful feedback. An analysis of Tripadvisor reviews for the hotel was conducted for the four months of July and August, 2016 and 2017. In the selected timeframe all of the reviews posted were positive and each was responded to by the hotel. Additionally in this sample there was no review posted that awarded less than 5/5 stars as the overall rating for the hotel. This average of 5 stars is notable for any hotel and staff evidently contributed a large part of the experience, with staff being mentioned in approximately 85% of the reviews. In the event that feedback gathered in this manner includes suggestions for improvement, this is considered by the general manager in conjunction with the Head of Department and then communicated to employees with actions being taken as appropriate.

While feedback from customers is seen as strong, it is notable that Tripadvisor is only one of many rather than the main source for feedback. This was referenced by a manager in her comment that *"it's probably not the biggest, say, compared to the other hotels but it is one of those things that you've no control over and you have to monitor" (Manager 1, Accommodation/HR).* Despite this there was evidence that the impact of a single poor Tripadvisor comment from a customer would be treated most seriously, with a manager observing that *"we really take it personally if a guest complains……. it feels like it's a dagger in the heart if somebody puts a [poor] review on TripAdvisor" (Manager 3, Reservations).* The level of expectations on the part of management are well summarised as follows: *"on Tripadvisor, you have sort of a rating for value, and when people put value as 5 stars out of 5, I'm happy" (General Manager).*

Overall, the significance of the customer is well understood by staff at all levels. There is evidence that the employees' personalities seem to be well suited to their roles which require a high level of customer interaction, indeed they are selected on this basis. The influence of the customer is also behavioural with a number of staff commenting on the interaction with guests being one of the most favoured parts of their role:

> *"but we really do hire for people here who we believe we can train on the skills. We can't train personality and, you know, the guests here just want so much interaction" (Manager 1, Accommodation/HR).*
>
> *"because I love the interaction with the guests" (Manager 2, Front-of-House).*
>
> *"The guests are a pleasure. I have never a problem with them to be honest because at the end of the day, they pay the wages and I don't mind that and they come for a relax or a pampering or whatever it is. That's what we do and I have no issue with that whatsoever. Maybe an odd one an odd time, you know, but you will get that anywhere, yeah" (Employee 2, front-of-house).*

4.5.4.4 Owner and family influence

The owner of this hotel is not on-site on a daily basis and there are no other family members directly involved in the business. Despite this, strong communication links are maintained with key personnel within the business on a regular basis with the owner visiting the property approximately two to three times per year. He was very involved in the start-up phase and has a significant and ongoing influence in terms of the key decisions.

Despite his absence from the establishment for the majority of the year, the owner's influence was a key theme that was evident throughout the interviews with staff. Furthermore, it is seen to have an impact on the behaviour of employees and consequentially the manner in which the customer is treated. It is clear from the staff interviewed that this owner's visits a couple of times a year are significant, with employees looking forward to meeting him. He clearly takes a very personal interest in staff and during the visits "*he will greet every single staff member he sees and he will remember their name" (General Manager).* This contributes to a feeling of respect for employees with many interviewees commenting positively on being valued. In the words of an employee *"I think it's the acknowledgement from the hierarchy really" (Employee 3, Restaurant).* A similar view was presented by management who noted *"that feeling and that warmth and that does come from the top down really" (Manager 1, Accommodation/HR).*

There is a resulting loyalty and respect for both the owner and the hotel which seems to impact on how employees perform their roles on a day-to-day basis.

> *"so I think we are lucky with the staff we have, but again I think that comes down from the top because if you had somebody at the top who didn't care, it's not going to work. But if you've got someone who puts so much time into it, then it does show all the way down, yeah"(Manager 3, Reservations).*

The owner's imprint is clearly evident, in that the hotel *"is his vision all the way through" (Manager 3, Reservations)* (cf Baron and Hannon, 2002). There are strong indications to support the fact that the employees feel they are part of that vision and that it impacts on the manner in which they do their jobs:

> *"you can have a certain amount of policies. If you have people who are not believing in it or interested in it, it's worth nothing. But if the people are believing in it and seeing it and exploring it, then all your policies fall in place automatically" (Manager 4, Restaurant).*

4.5.4.5 Management Style

Management staff within this hotel are recognised as being very approachable, with the current management style being described by staff as inclusive, hands-on and fair (see table 4.10 below). The longer-established staff especially recognised the benefits of the current

management approach, as their previous experience seems to have been of a very different style of management emanating from the general manager role. Reflecting on the more inclusive management approach since the appointment of the current general manager, an employee in housekeeping noted *"Now he expects the work to be done. He expects the high standards,... So I feel it's more relaxed but the standards are being maintained, if that makes sense" (Employee 1, Housekeeping).* The current general manager (GM) is accessible to all staff and is part of the front-of-house for customer 'meet and greets' and this is considered appropriate given the size of the property. One manager referring to the role of the general manager commented that *"certainly somewhere like here that is so small and ... I suppose, more than anything else, the guests need and expect that interaction so he has to be on the floor" (Manager 1, Accommodation/HR).*

There is a strong culture in evidence in this hotel which is embedded in all aspects of service provision. The clear and overriding importance of the customer experience makes for a very unifying approach with staff being clearly able to identify the part that their individual performance plays in delivering exceptional service. This connectedness and the fact that staff at all levels believe that the atmosphere and service at this hotel should be second to none has a very powerful impact on the success level.

This success is further underpinned by the team culture that exists. The smaller size of the operation helps to give employees a sense of team spirit and this is nurtured with occasional social events for staff such as a recent charity cycle and barbeque. The positive effects of this team approach were highlighted by an employee who commented that *"It's a massive team effort here and I think that's what's so lovely about it" (Employee 3, Restaurant).*

The owner of this five-star establishment also seems to place trust in the general manager and responsibility for the operation of the hotel is delegated to him with regular but more remote input from the owner. This trust is also reflected in the way the GM interacts with other managers and employees, which is recognised and valued. There is an obvious respect for other members of the team. The current general manager was appointed two years previously and the owner specifically wanted the new appointee to become the public face of the hotel in his absence. Since the appointment of the general manager there is evidence of incremental changes being implemented. Included in these changes are improved financial controls which are considered a positive development. One employee opined that

"*it's more… much more budget-focused and to me, that's so important because you need guidelines and goals" (Manager 1, Accommodation/HR).*

The approach to change within the hotel is gradual with another recently appointed manager commenting that *"you can't do it in one day" (Manager 4, Restaurant).* There is a recognition of the benefits of observing and achieving increased understanding before suggesting any change initiatives. Getting staff buy-in is considered important as it's considered *"more important that they understand what it's all about … [and]if I want to do changes for example in a restaurant, I would ask at least four or five or six waiters as to what they think about it….I want to include them always, but I want to know their opinion in a way, "Hmm, does it really make sense? Can we bring it forward?" (Manager 4, Restaurant).* Similarly a consultative management style clearly radiates from the GM who explained his approach as follows:

> *"I explain the reasoning behind it and I explain the facts and the figures and I say, "Look, this is where we were when I started here. This is where we are now, and this is where I want to be. I do not want to sacrifice the guest experience in any way, shape or form ……At the same time, let's not go crazy. So it's a consultation…. that's what it is" (General Manager).*

There are strong interconnections between staff with a sense of family readily apparent. This extends to social relations between staff and partners or other family members outside of the working environment:

> *"… I know a lot of people might say it but I actually mean it. It seems more like a family" (Manager 4, Restaurant).*

> "*there is times that we kill each other but then there's times where people just stick up for each other so much and it does have that family feel to it. Like, I'd kill my brother and sister sometimes but at the end of the day, they're there for you and now, I personally get that feeling here, that somebody, that they do have your back and they will look out for you so yeah" (Manager 3, Reservations).*

4.5.4.6 Rules and Routine

It seems that the standard of service required and the behaviour expected are clearly understood by employees *"You know the standard that's required so you have to try and achieve that and it's down to the merest little detail" (Employee 1, Housekeeping).* In particular there are clear expectations in terms of standards of personal presentation, grooming and correct uniform. This forms part of the initial training for staff and is reinforced via the staff handbook, at staff meetings, and also on a one to one basis on any occasions where it may be required.

Job descriptions exist for all positions but there is a recognition from management of the limitations of job descriptions with the view expressed that *"there's no way you can come up with everything one person will do and put it on paper. And the approach from the top is that flexibility is required. So far as I'm concerned here, everything is our job" (General Manager).* This expectation from management was clearly emphasised as follows:

> *"I would have no issues carrying luggage, parking cars, collecting something on the floor, going upstairs to help housekeeping if that's required. As far as I'm concerned, our job is to make sure that [this hotel] is an exquisite experience and it's across the board" (General Manager).*

The focus on the guest experience rather than the stated contractual obligations is seen to underpin the requirements associated with the job role:

> *"It's very team-orientated and guest-focused that, like, I could do stuff that's not in job description" (Employee 4, back-of-house).*

The relevance of a staff handbook was acknowledged by an employee as one element which reinforces standards:

> *"I think it's always in the back of people's minds that because we have set our goalposts pretty high, you know, and I think people … It might be kind of an unspoken thing but people are always aware that what needs to be done and done the way, correctly so that it's good enough and appropriate" (Manager 2, Front-of-House).*

There is a clear realisation from management that there are limits to what formal documents and policies may achieve and there is evidence that employees are encouraged to make reasonable interpretations of requirements as appropriate. Staff at all levels recognise that the structures are developing as the business grows and this move seems to be welcomed

"but it's a much more structured, organised, and I think it's much fairer from that point of view" (Manager 2, Front-of-House):

> *"there's a lot more systems that [the GM] puts in place which really, really work well because they can function without whoever, the seniority, being on" (Employee 3, Restaurant).*

Nevertheless, a contrary view expressed by one employee suggested that further structure would be desirable:

> *"I think it lacks just that little bit of discipline. I think there's just areas here where it's just a little too free……I think it's because it's evolving probably, yeah, it probably is" (Employee 2, Front-of-House).*

There is evidence too that the structures in place are occasionally ignored. Even where there is a reporting structure in place, employees may choose to ignore it on occasion and go directly to the general manager with an issue. This variation in reporting arrangements is not recognised by managers as presenting any difficulty. *"It could be either or. Yeah, it could be either or. I suppose, which, you know, I think it's healthy enough" (Manager 2, Front-of-House).*

There is a clear understanding expressed by employees in this hotel that Emotional Labour (EL) is a key part of a service role in any hotel setting. *"I think whether you work here or whether you work in any other hotel, that is something that you have to, you have to put on a face" (Manager 3, Reservations).* Additionally, there is the perception here that the requirement for emotional labour may be greater in a smaller hotel. *"And especially in a small place like this, if you cannot stand there and smile, it's going to be so noticeable by the guests and the staff so …In a bigger hotel, you'd probably get away with it" (Manager 3 , Reservations).*

Some employees noted that due to the nature of the environment there was a high level of interaction with the guests which was described as being *"… one-on-one completely here" (Manager 3, Reservations).* As a result this means that more than a smile is required. In the words of one employee *"I think they see the real us here, yeah" (Employee 2, Front-of-House).* Managers also reinforce this requirement which goes beyond a smile. Therefore directing employees to smile may be an ineffective and inadequate strategy in this environment:

"But I honestly think as well that it's not really about the smile. It's more about how you talk and about how you go to the people….I would never say…"As soon as you go to the door, smile" I would rather ….tell a joke and then they go out laughing"(Manager 4, Restaurant).

The requirement to put on a smile regardless of personal circumstances or recent challenges encountered is reflected upon by both employee and managers. *"but you smile no matter what. .. You have to smile, yes, well, that's my policy. We all have problems, park them at the gate and you turn into this other person. Once you come through the gate, a smile on. It's like putting on your make-up and away you go" (Employee 1, Housekeeping).* This norm is clearly associated with public areas within the hotel. *"I think once you walk out of that office, because that office is your sanctuary sometimes where you can explode and I think once you walk out, you're sort of in the customer's territory now. You're in the guest's territory.. so I think it comes naturally when you walk out of the office into the guests' environment" (Manager 3, Reservations).*

Reinforcing what is required in terms of EL is not reported as a frequent requirement as there is a consensus in part at least that it "*comes from the personalities that are employed" (General Manager)* and also from observing others as "*in a small place like this, you quickly learn to see how people interact with guests"(Manager 3, Reservations).* The requirement which radiates out from the owner is that *"they wanted people to be themselves. .. they wanted people to be warm and welcoming in their own personality" (Manager 3, Reservations).*

4.5.4.7 Resources

It is clear that the owner's financial resources have facilitated the development of the hotel to its current stage. The workmanship and attention to detail in restoring the property have left an enduring legacy and provide a unique resource to be managed. Significantly, the owner's financial resources facilitate the realisation of his expressed vision to exceed customer expectations; a commitment which remains steadfast even where profit may be impacted. Moreover, beyond the financial resources identified there is evidence that the owner's social capital provided a key source of customers when the hotel was first established. Notably, the general manager has extensive industry experience in upscale hotel environments internationally. This assists with both technical knowledge and networking. The hotel also benefits from networking contacts and increased marketing exposure through

its membership of a variety of international associations. Furthermore, low levels of employee turnover provide a core resource of well trained and long-serving staff. Given the individualised guest requirements and the attention to detail, this is a significant resource.

Table 4.10: Summary of contextual influences in 5star

Element	Details/Applications/Examples
Product/Labour Market	*Market segment*: Somewhat niche market with reduced emphasis on cost management. Exclusive guest experience/ repeat customers. *Markets served:* High value (prestige) Low volumes. *Labour supply* not restricted. Commitment to training new employees with suitable personality provides good supply of employees. Accepted that location may provide some limitations in future.
Strategy	Commitment to establishment of exclusive brand. Broad understanding and involvement at employee level.
Customer Influence	Pivotal to all practices in place.
Ownership	Involved but not holding key operational positions.
Management Style	Participative approach with careful change management and team building central to approach. Extensive communication including both formal and informal elements. Moderate task supervision.
Rules	HR policies reflect good practice. Somewhat sophisticated. Contribute towards a commitment v's control approach for employees. Focus on anticipating customer needs as they arise, with employee discretion in the service of the customer facilitated.
Resources	Financial resources from owner. Uniqueness of hotel environment and tasteful restoration. Owner's social capital beneficial.

[SME contextual elements drawn from Edwards et al., 2006; supplemented with service descriptors from Herzenberg et al, 1998]

4.5.5 Organisational success

This five star hotel is somewhat unique in that improved financial performance was noted as a measure of success but not the over-riding aim, with brand, reputation and positive guest feedback being more strongly regarded as important. Achieving prestigious awards (such as a Michelin star in the restaurant) would be considered one indicator of success. The increase

in repeat customers was identified by the majority of those interviewed as an indicator of success and this more than occupancy levels would be monitored. Other indicators such as the shortened shut-down period for the hotel or the positive feedback and the lack of complaints were also noted as strong measures of success.

On a personal level employees commented on success being determined as leaving every guest happy as you finish your day while another employee commented that for guests to walk away and say "*Amazing*" that's an indicator of success. Senior management opined that success could be indicated by customers' rating on value for money and this is considered very relevant for an upscale hotel. A common view was expressed that success could be defined as being *"the best hotel in Ireland and even one of the top hotels in Europe" (Manager 3, Reservations).*

Reflecting on the practices that underpin success, one management member recognised the commitment to training as being an important factor in the level of performance delivered by employees, and consequently, the overall success of the hotel. This was considered an important factor but was still somewhat secondary to "*getting the right people" (General Manager).* There was also the stated view that the way staff are treated contributes towards positive employee performance. In this way performance in this hotel is seen to be a direct consequence of the HR practices in place.

4.5.6 Employee and Employer Outcomes

Staff reported that they found their work enjoyable with various team members referring to the fact that they loved the job or that *"it's a cool job*" *(Manager 4, Restaurant).* There were many "*little things" (Manager 2, Front-of-House)* identified that render it a good place to work including the lovely environment, the sense of team and family, the uniform, the system of dispensing gratuities, the staff party or simply getting the equipment fixed if needed and not having to wait for something that was required to do your work. In the words of one employee *"It's just a lot of little things" (Employee 4, back-of-house).*

The enjoyment or sense of satisfaction with the environment encourages staff to *"want to do your work properly" (Employee 1, Housekeeping).* There is evidence too that working in a luxury atmosphere was regarded by some employees to be a benefit of their role and that the nature of the environment within which they worked still held some appeal and thus "*although….. you're not the one receiving the food or enjoying the day…..it's too beautiful not to enjoy" (Employee 3, Restaurant).*

The service provision was also considered appealing overall with many employees highlighting the interaction with the guests as a very favourable aspect of their role. One manager commented on the benefits of working here *"because I love the interaction with the guests" (Manager 2, Front-of-House)* while another specifically commented on enjoying *"the adrenaline of being on service" (Employee 3, Restaurant)* and this employee also stated how she missed that when she worked outside the hotel sector previously.

There was a stated preference by some employees to work in a family-run hotel but even more evidently a preference for a smaller hotel was clearly expressed in the comment that *"I do want to know who I'm working for and why I'm doing that" (General Manager)* with a preference stated for "*the personal touch in the smaller hotel" (Manager 3, Reservations).* It was recognised by many staff that working in a smaller hotel had many benefits. The view that this environment allowed staff more input into decisions and the flexibility to make changes as required was noted. In particular it was emphasised that in the smaller hotel *"there are rules and regulations but it's not set ….You can sort of move a few things whereas I find with the big corporate hotels, you've got your reports. You've got your, all your lists, "This is the way it has to be done" (Manager 3, Reservations).*

As a result of the smaller size, interviewees frequently commented on the benefit of knowing all of the employees there and of being known by the owner and not feeling like just another number. There was also a feeling that the size allows good interaction between each department. However, it was recognised by the general Manager that the growth in the hotel size brings changes and *"We are at that stage where it's a small team which becomes a big team and a big team would dictate more structure but it still has a very small team feeling" (General Manager).*

It is accepted that the size of the hotel has consequences for other areas of HR, such as informality of management style, some variation in the application of policy or reporting structure, a strong sense of team and of family, but less opportunity for internal promotion. These elements are discussed under the relevant sections below.

There is a great sense of pride evident from employees throughout the hotel. This was referred to in many ways such as "*when you read the comment cards or a comment that was written in the book at the front door and, like, people really have been so generous with their thoughts and that's a real great gut feeling, like, you know…but the cream on top, like, is*

the guests and their feedback and what you draw from the job yourself" (Manager 2, Front-of-House)

The autonomy given to the staff is identifiable as a very strong theme within this setting, with every interviewee referring to it positively at some point. A conscious desire to empower staff exists which can assist in resolving any problems that occur without the need to escalate the issue. This autonomy is underpinned by a high level of trust in the employees' ability to deliver/make the right decision. An example given by one manager highlighted the basis of this trust: *"there is no way I as a manager or his Head of Department could say to him, sit down at the meeting and say, 'Here are the standards and procedures. If someone comes down early, you offer them coffee. You light the fire.' Yes, we could, but we're fortunate enough that we have people who have that magic thing which is not a given nor that we can ask for in interviews. It's common sense" (General Manager).* Furthermore, employees expressed confidence in exercising discretion where appropriate and making decisions with the feeling *"that full backup is there"* (Employee 3, Restaurant). This open style of management was further reflected by the general manager when he confirmed that *"so long as decisions are taken in line with what the owner would want, I would have no issues" (General Manager).*

The range of duties and the attention to detail expected in this environment mean that flexibility on the part of employees to ensure responsiveness to the customer is the norm. Adequate staffing is in place to allow staff to chat to the guests or respond to a special request. In speaking to staff it is clear that flexibility of this nature is presumed and not notable. In terms of interactions with the guest, there is a perception that for the most part it is not particularly difficult to keep smiling at the customer and that the work environment here supports this. In contrast to employees' experience of working in other hotels there is a recognition that additional monitoring of the workload or adding an extra team member in a service area is often possible in the hotel and this can reduce the pressure on employees. Nevertheless, it is acknowledged that the ability to engage in emotional labour reflects the disposition of the individual. The view was reflected that *"there are people who are more, how can I put it, straight-faced than others … but they would be less guest-facing and on days where, or on occasions where they are guest-facing, then they put the mask on" (General Manager).*

While there is a recognition from those in frontline roles that putting on a service face can be emotionally draining and may require more recovery time at the end of the work day, it is very much accepted by staff: *"For me, I have always been, no matter what's going on in my life, you put your service face on and then you talk about it with someone afterwards" (Employee 3, Restaurant).* Balanced with this is the management view that *"I don't think it's possible to smile eight hours a day" (Manager 3, Reservations).* On occasions during service there is a recognition that a clash of character in a service environment may mean that it is best to ask somebody else to take care of a guest and also there may be circumstances in which "*you do need that time just to get away, yeah" (Manager 3, Reservations).*

Staff turnover was not identified as an issue, with many employees having been with the hotel since its establishment. These employees demonstrate a particular insight into the views of the owner as he had spent a considerable period of time on site during the set-up phase. It is clear that employees at all levels within the hotel are committed to the goal of achieving the vision of the owner. In this context loyalty to the owner and to the property is an identifiable outcome.

Although the main outcomes identified by staff in this setting were positive, there was reference to the pressurised environment of a five-star hotel – although one interviewee commented on the nature of the environment as having *"a different kind of pressure. It's not one that you will dread. It's the one that you kind of thrive on" (Employee 3, Restaurant).*

There is good employee engagement in this establishment, with ample evidence of employees often going above and beyond their specified duties to ensure customer satisfaction. This was described by staff as an almost daily occurrence:

> *"They would probably have a little bit more time and flexibility to go above and beyond, but I do think everybody does" (Manager 1 – Accommodation/HR).*
>
> *"I sort of live and breathe the job a little bit" (Employee 2, Front-of-House).*
>
> *"I would go to different hotels at different times and I would just sit for an hour or two and I would observe them and say, "They do that quite well. I don't like the way they do that" and various things" (Employee 2, Front-of-House).*
>
> *"You need to go above and beyond that thing to reassure the guest" (Employee 3, Restaurant).*

It is clear that guest satisfaction is a key motivator for this extra-role behaviour by employees.

> *"For the guest, I would go beyond. For us, that would be … the standard expected" (General Manager).*
>
> *"So you would go out of your way, that is your above and beyond, when you take the time out from your day, you're off, you've worked those 18-hour days but actually, you know, this is what's going to make a difference" (Employee 3, Restaurant).*
>
> *"people will go out of their ways to … Our sort of policy is that you never say, "No," and then if you can't do it, you look at another option. But I know there's been things down through the years that people have done and guests are like, "Wow, they did this for me" (Manager 3, Reservations).*

4.5.7 Summary of 5star

Overall the HR Practices were both sophisticated and thorough in this hotel, with use being made of a skills matrix at shortlisting stage and a combination of interview stages, work trials and probationary periods typically used in addition to a detailed induction process. The significant emphasis on personality as a key consideration in every selection decision was notable in this case and this reflects a commitment to building a valued workforce through careful selection decisions for every vacancy. The approach to recruitment and selection taken here clearly aligns with an overall business strategy that targets a very select market segment and may be seen to be reflective of a desire to achieve person-brand fit (Hurrell and Scholarios, 2014). It is also reflective of the owner's preferences to afford the guest a unique experience when compared to other five star hotels within a luxury market segment. Reflective of this, a key theme of allowing staff discretion in the service of the customer is evident here. Furthermore, this commitment to the guest experience is supported by a significant commitment to training and development which ensures that the hotel *"deliver[s] an exceptional experience to our guests" (General Manager)*.

Reflecting a strong alignment with strategic intent, performance and reward in this hotel supports and reinforces an emphasis on delivering excellence through a team of highly skilled staff. This was achieved by payment above the minimum wage for *all* positions, while a system for the distribution of gratuities to all staff was also in place. Ensuring a harmonised

approach to terms and conditions with all employees benefiting from this system of gratuities was seen to contribute to a sense of team in this hotel. The inclusion of back-of-house as well as customer-facing employees in the gratuity arrangements is somewhat unusual in the hotel sector and reflects in part the owner's views about how rewards should be distributed. Notably, communications are significantly more formalised in this hotel, with morning meetings for heads of departments and subsequent minutes issued forming the basis of daily planning and communication. These structures were noted to exist in addition to many informal communication channels.

In this case study there is evidence of a significant requirement for engagement with the customers, but employees are encouraged to be "real" or authentic during customer contact. This approach means that recruiting the right personalities to fit with this environment is critical and there is evidence that the hotel has consistently made personality the key determinant in recruitment decisions. This may help to improve performance at the customer-employee interface. Certain strategies utilised by management allow employees to cope better with this environment. Unlike other hotels which are primarily cost focused, in 5star there is adequate opportunity to ensure staffing levels allow for some level of cover, or the flexibility to introduce a new member to a service area when the requirement for emotional labour is perceived to be challenging for an employee. Additionally, there are some references in 5star to training employees to engage better in emotional labour.

Chapter 5 – Discussion

5.0 Introduction

This chapter reflects on the findings from five case studies of smaller, independently owned hotels within Ireland. In comparing HR across the different star-rated hotels it becomes apparent that rigid size delineations, or indeed service quality categorisations, were not the prime or significant determinants of HRM. This opens up important insights into our understanding of HRM in SMEs, moving beyond both size determinism (Wilkinson, 1999), and accounts which have simplistically matched HRM with generic strategy (Han et al., 2019). It equally complements work which has suggested differences and complexities in HRM in SMEs, albeit across rather than within sectors (Harney and Dundon, 2006). By highlighting distinctions within hospitality, the findings address Lloyd and colleagues' concern that "there are too few studies that compare organisations within the same service industry operating in different product markets" (2013: 258). Following a qualitative approach has provided in-depth understanding and an ability to embrace and accommodate the complexities of HR practice in operation (Atkinson, 2008).

The chapter commences with a comparative overview of HR practice in evidence across the case hotels. Through identifying and exploring heterogeneity this section supports recent calls for more contextually embedded understanding of HR generally (Cooke, 2018), and SMEs in particular (Harney and Alkhalaf, 2021). The second section of the chapter moves towards explanation discussing three significant findings which emerge from the case analysis. Firstly, attention is given to the role and influence of the owner-manager in informing HRM, including hitherto underexplored factors such as interpersonal relationships, delegation and spatial dynamics as key explanations of *how* this influence unfolds. This brings us beyond previously deterministic or unilinear approaches (see McClean and Collins, 2019) to a dynamic account highlighting the importance of agency. Secondly, moving beyond generic strategy, the findings make clear the HR and business operation implications of the specific market segment focus of each hotel. Previous HR literature has given inadequate attention to the implications of customer influence on the manner in which policy and practice evolve. This increased recognition of the role of the customer rebalances our understanding of the multidimensional determinants at play, specifically within a smaller services firm environment. Finally, notable emergent findings relate to the use and influence of technology in the management of employees. Specifically,

this study highlights how platforms such as Tripadvisor impact the customer/employee relationship and become integrated and embedded in novel ways into HR practices, including socialisation of new employees, performance management as well as informal expectations and peer pressures around how work is conducted and customers are treated (Gandini, 2018; Steffensen et al., 2019). Significantly, the dynamic nature of each of these three findings and the interplay between them is considered. This focus on the multidimensional and interlinking nature of the determinants of HR practice provides a path to a more sensitised understanding of the reality, and heterogeneous nature of HR as identified by managers and employees across smaller service sector firms.

5.1 Unpacking what HR is in Place: Identifying and exploring heterogeneity

5.1.1 Recruitment and Selection – the foundations for service delivery

Across the cases recruitment and selection was found to demonstrate significant variety, ranging from somewhat sophisticated approaches to those that were more ad hoc. At the extreme end was 5star, where the recruitment and selection process was more sophisticated and thorough than in any of the other hotel settings investigated, with a multi-stage process reflecting a consistent and significant emphasis on the personality of prospective recruits. This approach not only establishes the talent base for the hotel, but also reflects a strategic decision on the part of the owner to serve a very select market segment with a resulting strong emphasis on achieving person-brand fit (Hurrell and Scholarios, 2014). Contrary to initial expectations, for a 3star property, a similar level of sophistication was identified in the recruitment and selection approach in 3starTown, where a written policy outlined key stages of the process which was consistently overseen by the owner in the absence of a GM in this hotel. In this way the attention given to recruitment and selection activity is reflective of the value attached by the owner to selecting *"good people"* who will progress *"up through the ranks"* and remain with the team. As such the recruitment and selection process in both of these cases is somewhat at odds with hospitality sector research which suggests a more ad hoc approach to staffing and training as the norm (Hurrell and Scholarios, 2014; Wilton, 2006).

Despite its high star status, a lack of sophistication was in evidence in the recruitment and selection processes in 4starCountry. The approach here was acknowledged by management to be ad hoc in nature with no formal policy in place and evidence of a degree of reliance on

personal contacts and networking to source potential new employees. A greater dependence on part-time staff was seen to translate into a more casual selection process than for full-time staff. An example was given by management that it's "*often just someone coming in the door with a CV etc. and you are busy and they are taken on" (GM – 4starCountry).* These different forms of recruitment and selection practices highlight a distinction between what may be perceived as the recruitment of "core" and "transient" workers (Holiday, 1995)**.** There is little or no acknowledgement of the consequences of this approach in terms of customer contact and satisfaction. Furthermore, the limited attention to the selection process for staff in this hotel is perhaps indicative of the owner's prioritisation of cost minimisation rather than investment in staff.

The 4starTown and 3starCity studies represent more of a mixed approach as compared to the cases outlined above. In the case of 4starTown recruitment and selection practices were primarily pragmatic in nature, with work trials being used as a key method of selection. Reflecting the managerial style in operation, decisions about selection were delegated to the manager of the relevant functional area. This approach necessarily prioritises operational rather than strategic considerations at selection stage. 3starCity presents an interesting hybrid approach to recruitment and selection in that a formal policy was not in place, reflecting the views of the owner who admitted in the context of recruitment and selection that "*I don't understand how a policy would even work" (Owner, 3starCity).* While the approach to recruitment and selection was seen to vary considerably depending on the role being filled, most vacancies were advertised formally with the selection decisions overseen by the general manager and/or the owner (Connolly and McGing, 2007). In this case input by the general manager or owner reflects a consistent commitment to building an effective team. Probationary periods were actively monitored by a combination of the supervisor and the general manager. Additionally, informal input by co-workers contributed to a holistic assessment of suitability within the team environment, further reflecting the balance of formality and informality previously identified in an SME environment (Kitching and Marlow, 2013)**.** Significantly, the variation evidenced cannot be neatly explained by hotel quality, as per the proxy of star-rating. Instead, it became clear that practice around recruitment and selection in the case hotels more closely reflects considerations around managerial style within the context of market segment served**,** a point reinforced in the discussion of core findings.

In the absence of formality other balances are seen to operate within these settings. For example, the less structured approach to Recruitment and Selection in 3starCity and 4starTown is 'balanced' by a very consistent and effective use of the probationary period. In 3starCity while management take overall responsibility for monitoring the period, this is supplemented with occasional input from co-workers which serves to flag where a new appointee is not perceived to be a good fit within the team. This reflects an acceptance by co-workers that *"if somebody [doesn't] do their job, somebody else will have to do it because it just has to be done" (GM, 3starCity).* The size of the firm makes this a proximal reality with direct implications for team members (Wilkinson, 1999). It is therefore too simplistic to conclude that the presence or absence of an explicit policy leads to a particular outcome, especially in the smaller firm environment where the interlinking of employer and employee interests occurs in a variety of informal ways. This logic finds support in the work of Drummond and Stone (2007) who found that bundles of HR practices were not easily portable between different smaller firm settings.

5.1.2 Performance and Reward – potential alternatives to a low-road approach?

Reward in 5star reflected a focus on delivering excellence through payment above the minimum wage for *all* positions accompanied by the distribution of gratuities to all staff. Interestingly, 3starTown also indicated a conscious choice to pay all employees above the legal minimum wage, reflecting the value of staff who are considered critical to the delivery of consistent customer service and to the success of the hotel serving a wide range of local and business customers. In addition, there were examples given in 3starTown of some discretionary payments being made to staff on sick leave or an additional payment to a part-time staff member who was leaving to spend a summer overseas.

This approach was in clear variance with 4starCountry where the consistent focus on keeping costs low and a transactional approach to HR generally was reflected in payment of minimum wage for entry-level positions. Use had also been made in the past of a training wage, and social welfare schemes continue to supplement the wages of a proportion of staff. These practices are more reflective of the low-pay and 'bleak house' environment traditionally reported as typical in the tourism and hospitality sector (Baum, 2007; Guest and Conway, 1999, Kusluvan et al., 2010; Madera et al., 2017). While a concern was expressed by the general manager of 4starCountry in relation to potential employee turnover rates should the economy improve, members of the owning family did not seem to share the same

concerns "*While everyone might feel that they are underpaid, the surprising thing is that they are all still here" (Manager 1 family, 4starCountry).*

Reward practices at both 4starTown and 3starCity could be described as a mid-point between the two approaches outlined above. In 4starTown payment at minimum wage was made for entry-level positions, but this was supplemented by occasional, but diverse, discretionary rewards in recognition of performance or perhaps long service, thereby contributing to a sense of practice being employee-centred. Furthermore, 4starTown was the only hotel within the case studies where a performance-related bonus scheme (based on specific agreed targets) was in operation for management level staff. This reflects a tendency towards more sophisticated HR practices, at managerial level at least, and highlights variances within as well as across firms (Ram, 1991).

Payment rates at 3starCity were considered by staff to be very fair as compared to other employers in the area, with elements such as paid breaks for all staff included and this was noted by both management and employees to go well beyond the norm in the hospitality sector. It was noteworthy that managerial staff, as well as more junior staff, received payment based on the hours worked and this was recognised particularly by supervisors and managers as often being more beneficial than a flat salary. In addition, staff benefited from all tips received and reception employees were permitted to keep any commission earned on tours sold, while long-serving staff received a discretionary 'thank you' bonus at Christmas which might be either financial in nature, or in kind. This commitment to a fair system of reward directly reflects the owner's preferences to reward staff well for hard work and often unsocial hours.

Accepting that unsocial hours may remain a feature of working in the hospitality sector, the worst excesses of long hours and split shifts are no longer the norm in these five cases with staff afforded considerable flexibility over work times and rosters. Senior staff in 3starCity reflected that they had worked crazy hours for 10 years of their earlier careers and referred to this as the '*lost decade' (Owner, 3starCity*). There was a clear acknowledgement that this was no longer the norm for themselves, or for the staff who work for them. Specifically, in the case of 3starCity the focus on the market segment of accommodation facilitates a move beyond a dependence on long hours (e.g. as associated with functions etc.) for the majority of the workforce. While such choices also likely reflect labour dynamics and the expectations of a modern workforce, this is also a possible indicator of an industry that has

the potential to move beyond the identified 'cycle of failure' (Schlesinger and Heskett, 1991) which saw the services sector typically relying on cheap labour for roles offering long hours and limited job satisfaction, with high employee turnover becoming a norm as a result

The existence of performance management systems varied widely across the cases with only 4starTown and 5star having formal appraisals in place. In 4starTown a performance management system was in operation and, although there was evidence of variable application in different functional areas, it provided the basis for the identification of training needs. Additionally, there was evident support from management in 4starTown for a policy of promoting from within where possible (e.g. an assistant manager who started off collecting glasses). 5star had a performance management system in operation but it was recognised by senior management as requiring further standardisation across the hotel.

In contrast, there was no performance management system in place in 4starCountry but instead there was significant, albeit informal, utilisation of customer feedback via Tripadvisor as a means to monitor performance. Here it was clear that there was little expectation of internal promotion. Although it was recognised that this was mainly due to smaller hotel size and family members occupying a number of key management roles, the approach was also reflective of low-road HR (Baum, 2007; Kusluvan et al., 2010). Neither 3starCity nor 3starTown operated a formal system of performance management. Interestingly 3starTown referred to regular appraisals for staff within the Staff Handbook but there was no evidence of these taking place in any formal manner in reality, further reinforcing the merits of a multi-respondent, qualitative study. However, in both 3starCity and 3starTown there was ample evidence of the owner engaging with staff on an informal, but regular, basis to discuss their career plans. Both cases favoured internal promotion to supervisory and managerial roles. Significantly in 3starCity the general manager had been promoted from an entry-level position and this provided a very powerful role model for employees at more junior grades across the hotel (Nishii and Paluch, 2018). While in 3starTown, despite the absence of a formalised performance management system, the consistent family commitment to a customer-oriented service provision strengthened the focus on relevant performance measures.

With the exception of the provision of meals and uniforms, isomorphic forces were not clearly in evidence in the reward practices evidenced in these cases. The wide range of approaches to reward and performance outlined above challenge suggestions that SME's

have limited options to do other than mirror the employment policies of other companies in the sector, or to follow the low-road strategy (Tsai, 2010).

5.1.3 Training and Development – from compliance to integrated and committed approaches

Training and Development was emphasised as important by management in all the hotels, but the nature of training undertaken in the selected cases varied considerably from the most sophisticated engagement with staff development (as evidenced in 5star) to a management admission that staff are not really trained as well as they might be in 4starCountry, a factor referenced frequently by the employees.

Practice in 3starTown and 5star reflects existing literature which suggests that "the skills of their staff in delivering a quality service are an integral part of their competitive strategy" (Sung et al., 2009:36). In 5star, training was more extensive, strategically integrated with business objectives and holistic than in any of the other cases, reflecting a real commitment that the customer should not encounter an untrained employee as this would be considered "*unfair*" on the guest (Manager 1, Accommodation/HR). Confirmation was evident from the longer duration of training considered as standard within their induction process. This reflected the fact that this hotel had set out to respond to the luxury market segment in a different and less formulaic manner than existing five star hotels and consequently, extensive training for all staff was considered an essential element of the approach. An example of the requirement for all staff to have more highly developed skills was given with reference to housekeeping staff, who are traditionally not considered to be customer-facing, being required to engage (stop and chat) with the guest, with efforts made to remember guests' names, family details or even their individualised room preferences. This more customised service provided by housekeeping staff contrasts with examples where room attendants in upmarket hotels are expected to be 'unseen' and 'unheard' (Lloyd et al., 2013).

A notable and firm commitment to staff development was also apparent in 3starTown with extensive and ongoing training provided for all staff which went well beyond the statutory requirements. From the employer perspective, this commitment reinforced the value of staff and reflected the owner's view that training also enables cross-skilling, thereby enhancing flexibility, facilitating increased internal mobility, directly contributing to reduced payroll costs, enhanced performance outcomes and reducing wastage in terms of staff hours. The strong development focus evident in this case is apparent despite the fact that training needs

were not formally identified via a system of appraisals. Instead it reflects the owner's strong commitment to developing "*home-grown*" staff and provides further evidence of the co-existence of formal and informal practice which is characteristic of smaller firms (Marlow et al., 2010).

In contrast, 4starCountry exhibited a very limited commitment to training, with a specific focus on statutory training requirements. Both senior management and supervisory staff admitted that training here was not as good as it might be. This lack of attention to staff training reflects the owner's strong underpinning cost-controlling ethos and is reflective of the more general assessments of deficits in training provision within the hospitality sector (Shani et al., 2014). While statutory and operational needs were the main focus of training in 4starTown, there was an openness to meeting staff development needs identified as part of the performance appraisal process. There was significant evidence of on-the-job training delivered as part of the normal operational routine. This approach reflects the owning family's commitment to developing and retaining staff by offering internal promotion opportunities where possible.

Training provision within 3starCity was primarily provided to meet statutory and operational requirements and was delivered almost exclusively in-house. Additionally, the general manager having progressed from an entry-level role reflected that this experience allowed her to *"replace everyone here apart from the chef" (GM, 3starCity).* As a result, employees could benefit from detailed instruction and training on an ongoing basis as required. As a consequence of the general manager's experience, training was seen to be embedded in the daily operations of the hotel rather than a formalised add-on activity. While this approach is clearly very cost effective, its sole use may raise some concerns in terms of how any identified weaknesses in the supervisory and managerial skillset of the hotel might be addressed.

Cognisant of the smaller firm setting, the presence or absence of explicit policies as a measure of HR (e.g. in areas such as Training and Development) may be seen to provide a less than accurate picture of reality, thereby reinforcing the merits of an in-depth qualitative study, taking account of both manager and employee perceptions. Specifically, two of the cases (3starTown and 5star) demonstrate considerable commitment to staff development albeit their practices are not formalised in an explicit policy. Within a services setting, feedback from customers is continuous with the consequence that the frontline worker is

constantly involved in adjusting the service in small but meaningful ways. Moreover, the interactions of employees in these smaller hotel settings mean that experiences are shared, with team members benefiting in a developmental way from direct observation of co-workers who may deal differently with similar service issues. This permits us to move beyond rigid dichotomies to a richer description of actual practices in operation, thereby engaging with variance and detail that is not apparent in previous quantitative studies and ultimately providing the basis for a more explanatory account (cf Ram 1991; Holiday, 1995). Furthermore, the data collected through in-depth interviews in these cases has captured the reality of employee development initiatives in smaller hotels, moving beyond the normative accounts of formalised training often associated with a large company agenda (Nolan and Garavan, 2016) and instead grappling with "messy real world details" of practice (Harney, 2009:51).

5.1.4 Employee Voice – a reliance on informal means

As is typical in a smaller firm within the hospitality sector, none of the cases studied were unionised. Nonetheless, with the exception of 4starCountry, employee voice was relatively well established, with opportunities for staff to input to decisions in a meaningful way. Well-developed opportunities for two-way communication was in evidence in each of the remaining cases, although these were operationalised in significantly different ways. An example was given of all employees being invited to input suggestions for periodic menu changes (3starTown), whereas in 3starCity input was more likely to be sought from individual employees on an ad hoc basis. Despite the absence of formalised communication channels in both 3starCity and 3starTown, employees were seen to have regular and meaningful conversations with the owner. Additionally, in both three-star hotels staff with new ideas for developing the service or increasing sales were encouraged to trial their ideas in practice, providing a concrete example of employee involvement in decision making. A similar approach was in evidence in 4starTown with the many casual chats with the GM providing a key conduit for employees' ideas to be nurtured and explored, thereby fostering a real sense of employee engagement. This approach was underpinned by a very informal style of management on the part of the GM in 4starTown which served to encourage active two-way communication in that setting by means of chats typically taking place over a coffee. Despite the lack of formal process evident, practice here reflects the need to do more with fewer resources by drawing on employees to overcome the liability of smallness (Sheehan, 2014; Harney and Alkhalaf, 2021).

In contrast, communications in 5star were seen to include more structured and formalised methods (including a system of daily meetings and minutes issued) than in any other case hotel. These methods of information sharing proved very effective and did not operate as a barrier to additional meaningful interaction with the GM in a range of informal settings. As a luxury hotel setting, with a particular emphasis on hotel reputation, suggestions for improvements were openly welcomed and employees clearly understood that it's "*all about the guests" (Employee 3, 5star, Restaurant).* The GM's management style clearly supported this open and inclusive culture, with particular note being taken of guest feedback received from both front-of house and housekeeping staff. This positive climate of employee voice and interactive environment nurtures service values and contributes to a strong service orientation for the organisation (Wirtz and Jerger, 2016) ultimately contributing to overall performance (Sheehan, 2014).

Notably, the greater emphasis on control, together with a tight-knit family involvement in 4starCountry seemed to somewhat limit opportunities for meaningful input and engagement with staff. The more limited communication channels were reflective of an autocratic style of management on the part of the owner. Some employees also referred to an "inner circle" in place resulting in non-family managers having limited access to financial information and more restricted influence in terms of the changes that might be achieved. In this way there was evidence here of some level of bifurcation bias (Verbeke and Kano, 2012) and this likely contributes to a more pluralist environment. The resulting tensions in evidence were not limited to a typical management versus employee divide but were noted to extend to those occupying management or supervisory roles. This reflects a level of differentiation within the organisation and may be considered a feature of family firms (Jennings et al., 2018).

Based on the case evidence, the way in which "control over, and the consent of, employees is negotiated" (Edwards et al., 2006:703) shows considerable variance between these five cases. Echoing the work of Verreynne et al., (2011) the employee perspective gained from these cases highlights the importance and positive impact of employee voice and participation in the smaller firm environment. The role of the general manager is seen to be a powerful enabler of employee voice in 5star, 4starTown and 3starCity, while the owner's role is significant in the absence of a general manager role in 3starTown (indicating the manner in which roles vary in reality). The direct and informal means by which employee involvement is achieved in these cases reflects established literature relating to SMEs (Wilkinson et al., 2007). It is noteworthy that in the absence of formalised processes for

employee participation, the motivation for staff involvement would seem to stem instead from an accepted business need to improve, together with an established sense of team in maintaining success. Furthermore, the interdependence of approaches and practice highlighted above serves to reinforce the value of exploring HRM in a holistic fashion (i.e. across practices versus simply considering standalone areas e.g. recruitment or training). This HRM bundle concept is judged more relevant to the way owner-managers view people management in their organisations as it appreciates the flow of 'interrelated' HR activities (Heneman et al., 2000:22; Cardon and Stevens, 2004:318) and the 'knock on impact' of HR practices (Allen et al., 2013).

A functional overview of the HR practice in evidence in each of the five hotels is provided in Table 5.1 below. Although this review of HR practice indicates a high level of informality within the cases, the differing level of involvement of the owner in various cases is noteworthy and refocuses attention on the means by which HR practice becomes established in a smaller firm environment. The variance in HR practice evident here indicates a sector that cannot be uniformly described, nor can the variance be directly attributable to the quality rating of these hotels. It is clear that any additional insight into the nature of HR practice in evidence needs to accommodate this variance.

Table 5.1: Functional overview of HR practice across the five case hotels

	3starCity	3starTown	4starCountry	4starTown	5star
Overall approach to HR practice	Pragmatic HR.	Development -focused.	Cost-minimiser.	Employee-centred.	Talent-driven.
Approach enabled by	Pragmatic, owner/GM driven approach.	Owner driven policy-led approach.	Owner-dominated ad hoc practice.	Pragmatic, application of policy delegated to GM.	Professional, policy-led approach driven by GM in consultation with owner.
Recruitment and Selection (R&S)	No policy. Pragmatic approach. Consistent use of trial and probationary period. Owner or GM involved. Induction duration dependent on role.	Policy in place. Consistent and thorough approach to R&S. Owner involvement. Induction for all roles.	No policy. Ad-hoc with some networking used. GM or functional manager involved. No induction for many frontline roles.	No policy. Pragmatic approach. Reliance on trial as a key method of selection. Delegated to functional managers. Induction duration dependent on role.	Policy in place. Sophisticated, multi-stage process consistently applied. Focus on personality. GM involvement. Formal induction.
Performance and Reward	Informal perf. mgt. in place. Social Media platforms actively monitored. Reward - minimum wage + additional elements (contractual and discretionary).	Informal perf. mgt. in place. Reward – above minimum wage + some additional elements (discretionary).	No perf. mgt. in place. Tripadvisor actively monitored and directly used as feedback to employees. Reward – minimum wage + limited additional elements (at owner's discretion).	Formal perf. mgt. in place. Reward – minimum wage + some additional elements (discretionary).	Formal perf. mgt. in place. Reward – above minimum wage + additional elements (contractual and discretionary). Gratuities shared among all employees.
Training and Development	Skills, and Health and Safety training provided internally in an embedded manner.	Extensive training and development opportunities provided. Facilitates cross-functional work.	Limited training provision (essential skills, and Health and Safety).	Ongoing skills training, Health and Safety compliance and occasional additional training. Trg. needs identified via Perf. Appraisal.	Extensive training and development opportunities provided. Holistic approach. Trg. needs identified via Perf. Appraisal
Employee Voice	Informal channels for employee voice.	Informal channels for employee voice.	Limited opportunity for employee voice. Some tensions in evidence.	Informal channels for employee voice.	Formal and informal channels for employee voice.

5.1.5 Key distinctions within smaller services firms: Towards a more contextually sensitive understanding.

Overall, based on a review of the four main areas of HR, it is notable that there was considerable variation in approaches to recruitment and selection, performance and reward, training and development, and employee voice. The variance in evidence serves to highlight practices that range from extensive (5star; 3starTown) to limited (3starCity), from semi-formal (5star) to informal (3starCity), and from reasonably sophisticated (5star) to more ad hoc (4starCountry, 3starCity) thus depicting a sector that is far from homogenous in nature. In particular, this study highlights that any presumption that hotels of a particular star-rating are similar in HR terms is an oversimplification. Notably, contrasting evidence was observed between the two four-star hotels in this study in areas such as performance and reward. In addition, minimalist training was in evidence in 4starCountry while 4starTown recognised and promoted both formal and informal opportunities for additional staff development. Furthermore, some level of tension was apparent in employee voice in 4starCountry while 4starTown demonstrated an inclusive and team-oriented approach to addressing challenges.

Flexible practices are seen to operate across all the case hotels (albeit in different ways), including for example the freedom to self-manage staff rotas in 3starCity where staff "*are basically writing rosters themselves on the accommodation side" (GM, 3starCity),* and the interchangeable reporting arrangements and recruitment and selection practices that vary to fit the circumstances (notably in 3starCity, 4starTown and 4starCountry). Furthermore, even where policies existed, these cases show evidence of flexibilities built into the system and also examples of policy being adjusted to reflect employees' needs (e.g. a workaround for holiday arrangements in 4starTown). This supports the view of Marlow who noted that in SMEs "both labour and management have recourse to a set of rules, should they feel it appropriate to use them" (2002:27). Indeed, evidence here reflects something of a size effect, allowing for greater negotiated orders relative to larger organisations (Ram, 1991) with both employers and employees benefiting from the flexibility which this offers.

Building on Harney and Dundon's (2006) multi-sector study, it is clear that evidence in this study brings us beyond a crude 'bleak house' view of HR practice in the hospitality and tourism sector. This challenges the idea of a sector previously generically characterised as offering "low pay, difficult hours and a paucity of development and growth opportunities" (Madera et al., 2017:56). In 5star, despite its relatively small size, not only were HR practices somewhat sophisticated and more formalised, but they were also seen to be strongly

integrated with the strategic direction of the business. In 3starCity, where the least number of HR practices were identified, staff were nevertheless paid for their breaks, a condition which goes well beyond both legal compliance and the norms in the industry.

Given that limited formal policies are in evidence in these smaller hotels the drivers for the resulting practice need to be more fully understood. Reflecting the views of Wilkinson et al., when they highlight "the limitation of considering SMEs in isolation from their broader contextual environment" (2007:1294), an exploration of contextual factors and influences is considered necessary in order to better (and more holistically) appreciate both the nature of HR practice in place and its operation. It is clear from the findings presented that owner-manager imprint is significant, if differing across these cases (see Table 5.1). While previous sector- specific studies have found evidence of homogeneity e.g. Tasi's study within the Taiwanese high-tech sector, other sectoral studies such as those by Ho et al., (2010) (bio-tech) and Martin (2012) (restaurant sector) together with recent suggestions by Steffenson et al., (2019) are all suggestive of the need to bring agency back into the equation to provide an understanding of HR intent and experiences. This similarly reflects an emphasis on the owner-manager found in earlier employment relations studies (Edwards et al. 2006).

The following sections progress to provide an exploration of three key organisational variables of (1) owner and family influence, (2) market segment and (3) the use of technology.

5.2 Role of the owner-manager: Imprinting and influential

It is clear from the preceding review that the owner-manager bore a significant imprint on the way HR was conducted in each hotel. While this influence is long recognised in research on HRM in SMEs (e.g. Goss, 1991; Martin, 2012; McClean and Collins, 2019), the contribution here as it relates to the managerial style in operation, the extent of physical presence on site (geo-proximity/remoteness), and finally the underpinning social relationships and family influence is distinct in that it identifies spatial factors and interpersonal relationships (with the GM or in the absence of GM) as key explanations of *how* this influence unfolds. Being able to unpack the owner-manager influence in this manner increases our insight into elements which are key to our understanding of the elusive '*black box*' of how HRM actually operates. This type of approach is especially

pertinent to analysis of the SME context, where an exclusive focus on the content of practices has been shown to be limited, if not misleading (as evidenced in the discussion of training provision in the previous section and similarly highlighted in the work of Nolan and Garavan (2016)). By contrast, focusing on the owner-manager provides a partial explanation for the heterogeneity between firms as well as further insights into why High Performance Work Systems (HPWS) are not portable between SMEs (cf Drummond and Stone, 2007). An emphasis on the owner-manager as HR sensegiver offers a pathway to explore the means by which HR systems and messaging play out in a smaller firm context (cf Bowen and Ostroff, 2004; Nishii and Paluch, 2018).

In unpacking owner-manager influence, this investigation moves beyond earlier and more deterministic approaches of simply matching employer dependency and employee scope for resistance (Goss, 1991; Chapman, 1999). It equally extends insights beyond high-technology sectors (e.g. Baron and Hannan, 2002; Gilman and Edwards, 2008; Messersmith and Wales, 2011; Tsai, 2010) to explore the hospitality sector. This is significant as the services environment (which prevails in smaller hotels) means that employees and customers are more directly connected (Shaw et al., 2011). In the case hotels, the owner's influence is seen to reflect and align with customer demands, with customer feedback often being used as partial justification for the owner's approach and decisions.

The case evidence highlights that owner-manager influence can be explored with reference to three facets, specifically the managerial style in operation, the extent of physical presence on-site (geo-proximity/remoteness), and finally the underpinning social relationships and family influence. The role of these elements as determinants of HR has been underexplored within previous research, which has tended to focus narrowly on style or the nature of control (Edwards et al., 2006). A similar focus in the arena of family firm literature has led to a recognition that insufficient attention has been given to "the connection between families and family firms' HRM practices" (Combs, 2018:1). The current study advances insight by highlighting the dynamic nature of owner-manager influence and its interaction with other key influences.

5.2.1 Managerial style and Influence.

As an example of the most extreme manifestation of managerial style, at 4starCountry the owner's management style may be best described as autocratic, with control mechanisms that are reflective of a benevolent autocracy (Goss, 1991). Key decisions are subject to the

owner's approval and, significantly, his continuing control of costs is the backdrop to the ongoing operation of the business and the HR practice adopted. The owner's philosophy can be identified clearly in the company's minimalistic approach to employee reward, in the scarcity of staff development opportunities on offer, and the limited opportunities provided for employee voice. Although, in such a four star setting one might expect a more quality and developmental philosophy, the owner's approach to getting staff to behave in a certain manner was reflected simply as "*You keep telling them, over and over again*" *(Owner, 4starCountry)*. The findings here align with Kroon et al., (2013), who highlight the entrepreneur's key role in decisions relating to HR. Significantly, in the case of 4starCountry, the owner was seen to retain control of all key decisions at both a strategic and operational level and this was possible due to his extensive presence as a resident within the hotel. The owner's consistent physical presence, combined with his controlling management style, reinforces the nature of HR in operation in this hotel which may be characterised as more transactional than in any of the other case hotels. Additionally, his presence ensures that there is little scope for HR practice to be implemented other than as he intended.

Notably, the much more inclusive management style of the general manager at 4starCountry (who welcomes suggestions for change from all) is in direct opposition to the autocratic management style of the owner. The general manager acts as something of an intermediary between employees and the owner, resulting in a 'softer' approach to day-to-day policy implementation in certain instances (an example was given of an informal advisory chat with an employee in circumstances where he would otherwise have been disciplined by the owner). The GM routinely provides a channel of communication between family and non-family employees and in some cases filters out information on minor operational issues that he perceives does not require to be known by the owner. His significant industry experience (in contrast to the owner's background) provides both beneficial networking links at the recruitment stage, and a source of ongoing coaching for less experienced staff. His ease in helping out in functional areas (e.g. bar or restaurant) further facilitates a very integrated connection with staff. Additionally, an example was given of a negative review on Tripadvisor and in the words of one employee "if it had to have been no [GM], and just [the family] here themselves, the young fella would have been let go and they would have been wrong, you know" (*Employee 2 Food and Beverage*, 4starCountry). This reflects similar themes that have emerged from the HRM literature exploring the intermediary role of key

stakeholders including line managers (e.g. Harney and Jordan, 2008; Steffensen et al., 2019) coupled with calls for greater acknowledgement of the various agents of HRM.

In contrast with 4starCountry, the prevailing managerial style in 4starTown is more paternalistic in nature (Goss, 1991), as reflected by the owner in his genuine interest in employee welfare issues. Examples were given of the owner and owning family providing financial assistance to employees in difficult circumstances. Trust is clearly vested in the GM and consequently the style of management operated by both the owner and the GM seeks to encourage engagement rather than control as the basis of employer/employee relationships. With regard to the general manager one employee reflected *"I think people want to, want to do a job well for him because they respect him" (Employee 3, Reception).* Unlike the tensions apparent between owner and employees in 4starCountry, the owner and GM in 4starTown jointly develop common goals resulting in the general manager operating in a manner that is seen to support and reinforce the owner's priorities. A high degree of autonomy is given to established employees, and genuine, albeit informal, two-way communication encourages employee input. The GM's role in this is particularly significant in supporting a positive climate of employee relations, with the very informal style of management on the part of the GM serving to encourage active two-way communication *"I don't do meetings I do chats and coffee*" *(General Manager, 4starTown).*

The influence of the owner's philosophy is evident in the allocation of discretionary rewards, the use of recognition as a means of non-financial reward and the adoption of practices which address employee welfare issues that might arise. Kusluvan et al., (2010) indicate that these types of recognition are important, and in this hotel the utilisation of such non-financial rewards is seen to strengthen the level of loyalty exhibited by employees (with an example given of supervisory employees willing to come in on a day off just to ensure that everything went well with an event). A sense of the import of owner-manager's values and approach at 4starTown is that they were sustained and embedded, despite the fact that the owner was not physically present on site, and only visited the premises on a weekly basis. As a result, operational issues were managed by the GM in his absence, but the owner retained an occasional involvement with staff (e.g. sitting down with a member of staff with 10 years' service to recognise and thank her personally). In this way the owner ensured that the hotel retained a family-feel. Reflecting the work of Nishii and Paluch (2018), his involvement with employees support both the establishment of shared meanings in relation to expected employee behaviour and provide positive reinforcement of same.

Family influence is a particularly strong theme identified in 3starTown. In addition to the owner, the involvement of other family members on a full-time basis consistently reinforces the owner's philosophy in operational matters within the business. As a result, the shared meaning of HR practices is seen to be internalised and embedded in the attitudes of employees who work alongside an influential family member. There is evidence that the expectations for behaviour are created through role modelling, with one employee reflecting *"oh, like, a million thousand times she goes out of her way for everybody, absolutely everybody she meets… when you see her doing it, you'll do it as well" (Duty Manager, 3starTown).* Building on the work of Nishii and Paluch (2018), this is a very powerful factor in contributing to strong HR messaging. Furthermore, this case provides empirical evidence that this type of role modelling occurs in smaller firm environments and, given the very favourable customer reviews relating to 3starTown, suggests its potential as a very effective means of contributing to the achievement of organisational goals.

In 3starTown, managerial style reflected a paternalistic approach (Goss, 1991) which was inclusive and participative in nature with employees noting that the owner *"is always very open" (Duty Manager, 3starTown).* Despite the involvement of family members in 3starTown, there was no perception that non-family employees were excluded. The managerial philosophy of the owner was strongly embedded and consistently demonstrated in the nature of HR practices in operation. This consistency was likely strengthened due to the regular presence of the owner on site. There was evidence of a strong commitment to staff development, which directly reflects the owner's stated preference for producing "*home-grown*" employees (Owner, 3starTown), and a commitment to pay above the legal minimum wage in all circumstances. In the absence of a general manager role in this hotel, key decisions and their implementation were typically within the remit of the owner or a family member, resulting in a very hands-on approach. In this way family membership is seen to substitute for the GM role and on occasion to also reflect the line manager role. For example, during the recent recession (2008-2014) the owner elected not to make any staff member redundant but instead put together a package of shorter hours or reduced wages in the case of reception staff, thereby facilitating the necessary reduction in overheads. *"Everyone was brought into [the owner's] office one at a time …… and it was all explained to them why this had to happen, that they still had a job. When it got good during the summer, their hours would be up" [Employee 4, Administration 3starTown]*. The manner in which this exercise was completed directly reflects the owner's philosophy, and equally explains

the resilience and flexibility of SMEs in such changing circumstances (Bryson and White, 2019).

Within 3starCity, the owner's philosophy strongly underpins HR policy choice with employees being paid for every hour they work including payment for work breaks. Unreasonable levels of working hours are not expected of employees in this hotel. This reflects the owner's experience of having worked excessively long hours in the industry. The personal philosophy of the owner is reflected in a culture of respect which underpins relations in this hotel and his active involvement and presence on site ensure that his philosophy prevails. The owner's paternalistic style of management is informal and open, with employees noting "*If you have any ideas, he's more than willing to listen to them" [Manager 2, 3starCity]*; equally the informal two-way communication in place frequently involves the owner advising employees on how they might further their careers beyond opportunities in this hotel.

In the absence of family members, other than the owner, being involved in key roles within the hotel, the GM has increased potential influence in 3starCity. The GM has been promoted from an entry-level role within the hotel and the owner and GM work seamlessly together, with the former describing them as *"yin and yang, and I'm the nice cuddly fellow!".* Employees reflect this integration of management roles with many staff stating that they report equally to both the owner and the GM. It was noted that *"[the owner] has the final say but [the GM] makes the majority of the decisions" (Manager 2, 3starCity).* The GM is seen to demonstrate a more direct style of communication, with some reporting that *[the owner] finds it hard to say no whereas [the GM] will say no a lot quicker" (Manager 2, 3starCity).* As a result, expectations around performance are clearly communicated on the part of the GM. Given the limited documented HR policies in existence in this environment the influence of the GM is further increased. In this way she is a powerful actor in the HR domain, thereby illuminating the importance of understanding the top team dynamic (Steffenson et al., 2019) versus a traditional standalone emphasis on the owner-manager.

Within the 5star case further notable evidence exists of the owner's influence underpinning HR policy choices, with examples given of the owner's philosophy being the reason that all employees are paid above the minimum wage. It is also the owner's view that personality fit is a key desirable attribute for all new appointees and this is reflected in all selection decisions, aligning with the concept of person-brand fit in recent literature (Hurrell and

Scholarios, 2014). The significant commitment to additional skills training for many new employees with no prior experience in the sector is directly as a result of the owner's vision for the business. This vision is well understood by all employees and is reflected in decisions made around a range of operational issues, from induction to staff rosters. The current GM was brought in to *"to lead the property and the team in a certain way and be the face of the property" (GM, 5star).* In the absence of other family members actively involved in the business, he is fully committed to the owner's vision and acts as a trusted guardian of this hotel, primarily having the latitude to set his own goals for the business. As such, he has considerable power endorsed by the owner. His subsequent influence is evidenced in the nature of HR practices in place. Despite this power, his careful management style is strongly participative in nature and he recognises *"that there is not only one way to do things, but actually several ways to do things" (GM- 5star).* Reflecting the management style in operation, employees in 5star report considerable autonomy in carrying out their duties.

The influence of the owner in 5star is particularly notable. Here the owner maintained regular phone and email contact with the management of the hotel but direct interaction with employees occurred only when he visited the property a couple of times per year. Although the employees meet the owner infrequently, it is clear that they look forward to his visits and there were numerous references from employees at all levels as to what he would want in terms of employee behaviour and interaction with the guests. His intense involvement with the property during the start-up phase has clearly left his imprint on the manner in which practices have continued in his absence, providing further support for the work of Baron and Hannan (2002) and Georges et al, (2012). Notably, existing literature such as the work of Martin (2012) (which highlights the influence of the owner in determining the HR practice in operation in SMEs) is typically silent on the geographic location of the owner but generally reflects an owner-manager who, if not based on site, may be assumed to be within reasonable spatial proximity of the business. The continuing influence of the owner in 5star, who is based beyond these spatial norms, refocuses attention on both management style and the means by which his influence is maintained. Significantly, in this case the influence of the remote owner is seen to go well beyond the determination of HR practice and extends to a personal relationship with every employee. It can be seen that this underlying social relationship impacts on employee behaviour. In addition to his clear vision for the property and the supportive role played by the GM, this social relationship allows the owner's influence to be nurtured and maintained from a distance. The power and nature of this

influence has not been previously acknowledged in existing SME literature. This type of influence is particularly relevant in an SME context and suggests that different elements of the 'black box' are operationalised in different settings in the smaller firm, providing a specific example from the hospitality and tourism context as called for by Madera et al., (2017).

5.2.2 Towards a more dynamic understanding of owner-manager involvement

From reviewing the prominence and variety of owner-manager involvement in this study, it is clear from the different spatial dynamics across the cases that the owners' influence goes well beyond a physical presence on site and is seen to interact with the GM's role in various ways. In light of the distal arrangements in both 5star and 4starTown the owners' influence is amplified via the GM, with this occurring seamlessly due to an alignment of the management style of both parties. In stark contrast, in 4starCountry the owner's omnipresence and strong management style is partly ameliorated by the GM (who softens the implementation of rules on occasion and takes a more pragmatic approach to employee issues that might arise). At 3starCity the slightly complementary management styles of owner and GM are seen to naturally compensate for any deficiencies in the other's approach (with the GM more readily enforcing rules as compared to the owner). The different circumstances in 3starTown where a greater family presence is the norm, ensures that family influences prevail in the absence of a GM. Family cohesiveness in this hotel contributes to a consistency in HR practice (Bowen and Ostroff, 2004). The variations in these cases highlight the significant scope for HR practice to be influenced by differing combinations of internal variables such as management style, owner's influence, family involvement and physical presence on site (e.g. Combs, 2018: Ho et al., 2010; Martin, 2012; Nishii and Paluch, 2018; Payne, 2018; Steffenson et al., 2019; Tsai, 2010).

Table 5.2 (below) unpacks the dynamic influence of the owner-manager in each of the five cases thereby pointing to the variety of ways in which HR practice becomes established and enacted. In particular, it is clear that GM involvement can amplify or ameliorate owner-manager style (and family influence) with direct consequences for HR practice in a smaller firm environment. This is a critical but novel finding which enhances our previous understanding of the dynamic nature of HR determinants. This research shows that the complexity of the owner's influence is best understood not as a singular static factor, but as

something which operates in tandem with other internal and dynamic elements including internal factors such as the role of the general manager, the proximity of the owner and the level of involvement of other family members.

Table 5.2: Summary of owner, management, and family influences on HR practice

	3starCity	**3starTown**	**4starCountry**	**4starTown**	**5star**
Owner/ Mgt style	Participative; Paternalism	Participative; Paternalism	Authoritarian; Benevolent autocracy.	Participative Paternalism	Participative; Professional Paternalism.
Physical presence	On-site daily	On-site daily	Resident on-site	Weekly visits	Remote – visits couple of times per year.
GM influence/ dynamic	Complementary to owner. Owner and GM operate in tandem. GM as a consistency implementer.	No GM role-owner and family more significant as a result.	Somewhat limited due to contrasting owner style. GM ameliorates influence of owner.	Strong influence and aligned with owner. GM supports and amplifies owner's philosophy.	Strong influence and aligned with owner's preferences. GM supports and amplifies owner's philosophy.
Overall approach to HR practice.	Pragmatic HR.	Development-focused.	Cost-minimiser.	Employee-centred.	Talent-driven.
Employee environment /outcomes	Meritocracy - supporting staff commitment and hard work.	Strong inclusive sense of family with commitment and loyalty of staff evident.	Centralised control but respect for owner evident.	Staff committed and loyal to owning family.	Consistent strategic alignment evident in commitment and loyalty of staff.

Evidence from 3starTown demonstrates the significance of role modelling by a family member. Indeed, this type of approach may be more effective than formal policy in a smaller firm environment where the fewer number of managers and the dispersion of family members throughout the business provide the means to enhance the shared meaning of HR (Bacon et al., 1996; Nishii and Paluch, 2018). The consistent shared meanings established by embedded family involvement help to explain how a smaller services firm may retain a very limited reliance on formal policy in the HR domain. Furthermore, services

environments facilitate a closeness to the customer (as is the case of hospitality in particular, cf Shaw et al., 2011) and real-time feedback mechanisms arising from this relationship may further reduce a reliance on formal policy. While a more detailed examination of customer impact and influence is pursued in the section which follows, it is clear that survey-based findings which automatically equate the existence of limited formal HR policy with a deficit in HR practice in SMEs are found wanting. The current cases instead illuminate *how* the dynamic of owner-manager influence, interwoven as it is with key stakeholders, (including family, non-family and customer) underpins the means by which HR practice can become established and maintained under different spatial circumstances, without a reliance on extensive policy underpinnings.

5.3 Market segment positioning: Impact and influence on HR

Traditionally, an understanding of determinants of HR practice in SMEs has derived from a manufacturing context, with an identifiable gap remaining in our knowledge relating to the service sector (notable exceptions include Altinay et al., 2008; Altinay, 2010; Batt, 2002; Dietz et al., 2006; Mallet and Wapshott, 2014). More recently, contributions emanating from the services management literature recognise that "a strategic focus on customers is likely to translate into HRM practices" (Subramony and Pugh, 2015:360). Nonetheless, there remains a paucity of service-specific research to date confirming the detail of *how* this occurs. Established contributions in HRM such as those by Schuler and Jackson (1987) offer a broad focus prescriptively aligning strategy and HR, while frameworks provided by Edwards et al., (2006) and Jackson et al., (2014) acknowledge the role of market conditions in the resulting nature of HR, albeit amongst a wealth of other factors (Han et al., 2019). Reflecting the view of Kaufman it is necessary to take proper account of "the fundamental roles of markets, competition and profit-making" and not minimise or misconstrue them (2016: 388). The findings from the current research highlight the importance of prominent consideration of the market influence, particular with reference to market segment.

Following calls from Farndale and Paauwe (2018), the current study provides a more contextualised understanding of HR within services. Evidence from these case hotels clearly demonstrates that a more nuanced approach is necessary to appreciate fully and accommodate the impact of market segment and customers on the manner in which HR is

enacted in a smaller business environment. This allows us to move beyond overly deterministic views of sector, and indeed beyond the quality ranking of the hotel, to explore the influence of market segment. Notably, smaller hospitality firms, being less dependent on larger firms (cf Rainnie, 1989) are instead likely to be subject to the stronger influence of the market as represented by their individual customers and market segment. Drawing on a marketing perspective, this research shows that a single segment focus, which allows some degree of standardisation in service provision, suggests a different approach to HR practice when compared to a multi-segment approach where greater flexibility is typically expected from employees. Moreover, the closeness of the customer and employee, previously recognised within the domain of services (Bowen, 2016**)** has the potential to further alter employee behaviours directly. Therefore, the choice of market segment not only provides a clear example of a strategic choice being exercised by a smaller hotel, but also illuminates the direct consequences for HR practice, moving debate beyond generic considerations of strategy or quality (as indicated by star rating).

Drawing on the evidence from 3starCity the influence of market segment on HR practice becomes clear (see Table 5.3 below). In this case, the selected market segment, focusing primarily on accommodation, results in relatively high volumes of non-local guests with whom shorter rather than more extended levels of interaction are typical. Effectively, as a limited service hotel, HR practice here supports the requirement to efficiently deliver a consistent and relatively standard service. As a consequence, the implications for HR arising from a lack of complexity in operations contributes for example to an approach where training provision is managed entirely in house and performance is managed by informal chats rather than a formal performance management system. A further example of this standardisation of service is evidenced in the stated contractual requirement that employees are expected to smile at customers.

Notably, 3tarCity also has the fewest documented HR policies of the case hotels and adopts a pragmatic approach to HR. Nevertheless, there is evidence of effective two-way communication and employee involvement is clearly encouraged with clear examples given of staff input to rosters or ongoing suggestions for business improvements. Additionally, the choice of market segment limits seasonal fluctuations resulting in higher retention rates for staff, thereby contributing to a more established sense of team. It also makes it possible to afford all staff more reasonable working hours, which is in clear contrast to the very "labour-intensive" (Baum et al., 2016:1) traditions in the hospitality sector. In this less transient

working environment, the HR practice in place encourages teams to be self-managing without a need for coercive control. For example, there is evidence of employees voluntarily offering feedback on whether a new employee is a good fit for the hotel, thereby effectively operating as an informal employee-driven validation of selection decisions during probationary periods. Overall, HR practice in this hotel clearly reflects a pragmatic approach to HR rather than a dependence on any formal policy.

Table 5.3: Market Segment Characteristics and HR Implications for 3starCity

Segment and Characteristics 3StarCity	**Associated Behavioural Implications/Role Behaviours**	**HR Implications**
Accommodation segment with limited additional services provided. High volume, short, transactional stay => standardised service. Cumulative customer reviews important driver of future business.	Self-managing teams/peer assessment of new employees. Reasonable autonomy. Effective two-way communication and employee input encouraged. Limited emotional labour – surface acting required.	Limited seasonal fluctuations => so high staff retention and more established team. Reasonable working hours. Pragmatic approach to HR including reliance on on-the-job skills training.

3starTown identified market segments (such as ‘hen’ and ‘stag’ parties) that they no longer wish to actively pursue and this ‘choice’ has led them to concentrate on alternative market opportunities including conferences, local functions, weddings and family events (see Table 5.4 below). Adopting a multi-segment approach and providing a full range of traditional hotel services, this hotel has positioned itself to cater for a range of local and community customers. The non-seasonal nature of the business contributes to the careful and consistent recruitment of a core staff who subsequently evidence low turnover rates. The more extended engagement of very loyal and established employees with repeat customers is a key feature of how the hotel operates and this potentially provides some element of differentiation in an otherwise very competitive market. This market focus and emphasis on commitment is reflected in a comprehensive set of HR policies in existence and these underpin an approach to reward where all staff receive more than the legal minimum wage, reflecting both market segment influence and the ethos of the owning family. Established employee voice reflects the value of staff and their input to operational improvements in particular. The approach to HR is well beyond a simple transactional one. The multi-segment focus of this hotel requires

flexible employee roles and this is supported by a strong commitment to employee development, with staff given the autonomy to ensure the hotel responds effectively to a very varied customer base. The strong sense of customer focus includes a commitment to ensuring that the customer leaves happy. This commitment manifests itself in a high level of emotional labour in evidence which includes strong engagement by staff and a genuine interaction with each individual customer.

Table 5.4: Market Segment Characteristics and HR Implications for 3starTown

Segment and Characteristics 3starTown	**Associated Behavioural Implications/Role Behaviours**	**HR Implications**
Multi-segment (Local/tourist/functions/ business) with full range of services provided. Non-seasonal. Variable customer volumes, extended customer interaction. Non-standardised service.	Employee autonomy. Effective employee voice – 2-way communication. Emotional labour – deep acting evidenced.	Consistent attention to Recruitment and Selection. Established team of core staff. Low staff turnover. Flexible employee roles required. Consistent commitment to Training and Development for all employees.

In the case of 4starCountry a strategic decision was made by the owner to enter the wedding market as a new segment, when its previous market segment declined dramatically due to the economic recession (see table 5.5 below). To date, this has proved to be a successful strategy for 4starCountry. As a consequence of segment choice, greater seasonal fluctuations are evident with a heavy reliance on part-time and casual staff leading to an ad hoc approach to recruitment and selection, a tendency to pay minimum wages and a more transactional employer/employee relationship overall. A primary reliance on the wedding market segment, however, exerts great pressure to avoid a system failure for any one event. This is due to the high financial and emotional value of the event and the potential for serious reputational damage. The intense focus on customer satisfaction is reflected in the constant monitoring of Tripadvisor. Despite obvious tensions between the significance of customer satisfaction and a limited commitment to training on the part of the owner, the fairly

standardised service requirement of a wedding function allows the hotel to compensate to some degree for minimalist staff training provided. A primarily controlling approach to HR is supplemented by the conscious use of Tripadvisor as a management tool to assist in maintaining the standards required to satisfy customers. In order to ensure a consistency in offering and to reinforce the sense of managerial prerogative, there is limited scope for employee voice. Instead, tight control of employees and limited employee development represent the norm in this case, as is enabled and reinforced by a more transient and casual workforce. Despite this, emotional labour (both deep and surface acting) is in evidence here.

Table 5.5: Market Segment Characteristics and HR Implications for 4starCountry

Segment and Characteristics 4starCountry	**Associated Behavioural Implications/Role Behaviours**	**HR Implications**
Wedding segment. High volume, high transaction value, extended customer interaction. Standardised service but high customer expectations due to once-off nature of event. Single customer review significant for future business.	Top-down control – "Tight run ship". Limited autonomy. Limited employee voice. Emotional Labour – mix of both deep and surface acting.	Significant seasonal fluctuations – reliance on part-time and casual staff. Ad hoc approach to Recruitment and Selection. Low skill; Minimum wage (entry positions); Limited training. => cost-minimising HR. Feedback via Tripadvisor as an element of control.

In clear contrast and despite the same quality rating (i.e. 4 Star), the HR practice in operation in 4starTown reflects a multi-segment approach including the more relaxed and social customer outing that is typical of a weekend market segment, (i.e. 'hen' and 'stag' parties), but equally serving the distinctly different mid-week business customer (see table 5.6 below). This segmentation choice means that 4starTown is not a seasonal business and its established core staffing level reflects this fact. There is evidence that Recruitment and Selection is undertaken in a pragmatic manner and is delegated to functional managers within the business. Customer satisfaction is achieved here primarily through employee autonomy and commitment, rather than through controlling practices. An example was given of a supervisor coming in on her day off to prepare for an event because it made things easier. She reflected that *"we would still come in because, like, we would know that we have stuff*

for the weekend, and it's like… we'll come in and we'll get stuff done for the weekend and like, we wouldn't get paid for it but we would just do it. It would make our life easier and make their life easier and it's just easy all around" (Supervisor 2, Food and Beverage 4starTown). Additionally, employees are encouraged to enjoy the social interaction with customers, with some evidence of deep acting being the norm within the context of emotional labour, but supplemented by surface acting as required.

While management and employees strive to maintain good levels of customer satisfaction, a single dissatisfied customer is not likely to cause serious reputational damage and this is reflective of the market segments served (versus 4StarCountry). Addressing two separate market segments, this hotel requires employees to be more flexible (for example in varying the type of service offered) and to demonstrate a level of autonomy in their duties. Despite evident informalities in many areas of practice within the hotel, formal annual appraisals are used to help identify training gaps thereby providing the key skills needed to respond to customers' needs. Additionally, strong two-way communication and the employee involvement in evidence, provide the means by which improvements to services are achieved, facilitating the means to better respond to the likely changing needs of across the more varied market segments.

Table 5.6: Market Segment Characteristics and HR Implications for 4starTown

Segment and Characteristics 4starTown	**Associated Behavioural Implications/Role Behaviours**	**HR Implications**
Multi-segment (Hens/stags and business customers). Variable customer volumes, extended customer interaction. Broad range of services provided.	Employee autonomy. Effective employee voice – 2-way communication evident. Emotional labour – both deep and surface acting in evidence.	Pragmatic approach to Recruitment and Selection. Established team of core staff. Medium skill with some flexibility required in customer-facing roles. Consistent attention to Training and Development activity.

Finally, in 5star the focus on a market segment comprising of high-end exclusive clientele means that a clear commitment to providing an exceptional guest service drives everything.

This comprehensive and unifying dedication to the vision of this hotel is underpinned by the more systematic and sophisticated HR practice in place, reflecting a more holistic approach to HR (see Table 5.7 below). As a luxury destination, which relies on a significantly more extended interaction with a small volume of customers, the importance of personality is considered crucial to the product offering and ultimately to guest satisfaction. This emphasis on the right personality (reflecting a unique market segment) underpins the professional approach to selecting, developing and managing people and further assists in maintaining an established team of core staff. Furthermore, all employees are encouraged to interact with the customer throughout the working day, with examples of authentic and deep acting evidenced in the context of emotional labour. Policies and practice are extremely customer focused and afford employees some discretion in responding to a customer request. Responding to the unique and non-standardised guest requirements typical of this hotel means that employees (as well as managers) accept that policies can only bring you so far *"And I don't think you can ever follow policies and procedures in* ***every*** *situation. You can't. You need to go above and beyond that thing to reassure the guest" (Employee 3, Food and Beverage 5star).* In this environment, HR practice focused on the importance of personality fit, extensive training and employee input, and participation in decision making (evidenced in both formal and informal 2-way communication) is clearly supportive of the type of employee autonomy that is critical to a broad service provision and the intensive interaction typical of this hotel.

Table 5.7: Market Segment Characteristics and HR Implications for 5star

Segment and Characteristics 5star	**Associated Behavioural Implications/Role Behaviours**	**HR Implications**
Single-segment (Luxury environment, exclusive customer). Small customer volumes, high value, very extended customer interaction. Individualised, non-standard service. Broad range of services provided.	Employee autonomy. Commitment to excellence. Effective employee voice – two-way communications formal and informal. Emotional labour – authentic and deep acting evidenced.	Extensive and systematic attention to Recruitment and Selection; consistent focus on personality fit. Established team of core staff. High skill – High commitment to Training and Development.

5.3.1 Market segment - explicating the impact on HR in services settings

While previous research has broadly acknowledged the influence of product/service market on HR practice (Edwards et al., 2006; Wu et al., 2013), evidence from these cases has identified the more specific and nuanced impact of market segment which has been shown to have a particular and direct relevance within a services environment. Research to date has tended to merely explore broad distinctions, such as manufacturing versus services (see Chung, 2001 for a notable exception in this context), or generic strategies e.g. as related to cost or quality. Instead, taking the lead from the hospitality literature and related calls for more elaborate treatment of strategic orientation in studies of HR (e.g. Han et al., 2019), this research extends the understanding of strategic fit beyond narrow conceptualizations of generic strategy to provide a direct linkage with varying natures of customer expectations as reflected in segment choice.

Based on an analysis of the evidence from the case hotels, market segment is seen to have a clear influence on HR practice via the expectations of customers in that segment. This, in turn, has direct implications for the actions required from staff to achieve customer satisfaction. Indeed, it is clear that the implications for the nature and operation of HR are evidenced across a range of areas including recruitment and selection, staff development, and reward. Within recruitment and selection, the more standardised nature of the service in the case of 4starCountry, for example, allowed more limited attention to be focused on recruitment activities and significantly less investment in staff training. In clear contrast, a similar approach would clearly have been unacceptable within the very individualised market segment of 5star. Although a strong commitment to employee development was evidenced in the cases of 5star and 3starTown, this was not simply reflective of a high-value employment environment, as had been suggested in previous literature (see Gilman and Edwards, 2008). While 5star could certainly be described as being at the higher end of the service value chain, the strong commitment to employee development clearly represented the owner's vision to respond to a very specific segment within the market. While in 3starTown the capacity to utilise staff across various functions and so prevent any "wastage" of human resources is considered key to satisfying the customer and maintaining a viable business in a lower-value, multi-segment environment. This requires an investment in staff training and development. Decisions such as these, as a form of managerial choice, emanate from an understanding of market segment and customers' requirements.

Another example of market segment concerns reward approaches. On a surface level, the evidence in 5star may be seen to provide some support for higher rates of pay in higher star-rated hotels, with increased training provided and more skilled work required from all employees in this setting. For example, there is supporting evidence that accommodation staff in 5star are expected to engage with the guest considerably more in this setting, than would typically be the case in the lower star-rated hotels within this study. However, evidence from 3starTown, which also pays above the minimum wage, highlights the fact that star rating alone does not adequately explain the linkages at play here. More pertinent than star rating is the customer segment(s) served. In 3starTown, the non-standardised expectations of customers reflecting a multi-segment target market lead to an approach which favours paying above minimum wage, combined with training and development, which means going well beyond statutory requirements. This enables the flexibility of roles essential for responding to the non-standardised customer expectations typical in this environment. The contrasting examples of the more standardised nature of customer needs in the segments served by 4starCountry and 3starCity provide the basis for reward approaches based on the minimum wage and limited training (4starCountry) or at least a more standardised and solely in-house approach to training and development in the case of 3starCity.

These findings help us to unpack the role that market segment plays in explaining the contrasting literature regarding product market and skill pay linkages (cf Orlitzky and Frenkel, 2005; Mason, 2004; Lloyd et al., 2013). Furthermore, this insight points to how specific customer segment characteristics translate into the varying approaches taken to staffing and the management of employees in an effort to meet or exceed customer expectations. Deploying market segment as a frame of reference through which to examine HR therefore enhances our understanding of HRM in ways which have relevance beyond a hospitality environment, and which have not been considered previously across SME and HR literatures.

In attempting to make sense of the practices in operation it should not be overlooked that hotels are market–driven firms operating in a dynamic environment. Unlike in a manufacturing setting, frontline employees are considered to be "boundary spanners" (Wirtz and Jerger, 2016:760) with employees and customers recognised as being psychologically close (Chung, 2001). Due to the inseparability characteristic of services (Subramony and Pugh, 2015), employees' unique, direct and potentially extended connections with the guest

allow them greater insights into customer needs (Bowen, 2016). This more direct and embedded relationship is clearly in evidence in high-contact services such as smaller hotels. Specifically, there are examples from these case hotels that employees are more involved in activities such as pricing rooms or functions and putting special customer offers together. These activities both demonstrate employee involvement and heighten their market awareness. It is not possible to 'unlearn' this level of market awareness. In contrast, roles in larger firms typically reflect greater division of labour (Kotey and Slade, 2005) and within larger hotels the clearer separation of functions may result in employees not being exposed to a range of activities which develop the same level of market awareness.

Furthermore, it is recognised that small firms exhibit greater flexibility thereby allowing them to implement decisions more quickly (Altinay, 2010) and facilitating their response to fluctuating demand patterns typical of the industry (Hwang and Lockwood, 2006). A constituent element of this, typically evident in smaller hotels, is the flexible staffing arrangements in place (Kusluvan et al., 2010) with the result that staff understand and can immediately see evidence of a quieter (or busier) time. This contributes to greater alignment of employees with the goals of the hotel, potentially leading to a 'mutual gains' perspective (Boxall, 2013; Guest, 2017), reflecting a feature which if not lacking in larger hotels may need to be created through formal policy. Frontline workers are further connected or embedded in firm priorities through their closeness to the customer (Bowen, 2016) achieved via ongoing guest contact and feedback. Moreover, the reality that both positive and negative feedback can be instantly shared publically through forums such as Tripadvisor increases the relevance, focus and impact of feedback to all staff. Arising from an increased alignment of employee and company interests, the clear implication is that the same or similar outcomes may potentially be achieved with substantially fewer HR policies in place.

The power of the customer, as reflected in market segment, has previously been overlooked in its role in determining HR practice. Evidence from this study shows that market segment is a significant determinant of such practices. The following section of this chapter confirms that the customer influence has been further strengthened in recent times through the powerful influence of social media and the now widespread use of online review platforms within the hospitality sector. These continuing trends increase the salience of customer feedback and point to the fact that any vacuum in written policy is likely to be partly compensated for by customer-led expectations and reactions.

5.3.2 Market segment as a means to move beyond size and sector considerations

Edwards et al., previously asserted that it is not the size of the organisation which is important in explaining employment relations in small firms "but the combination of size and other features such as sector" (2006:704). Adopting a single sector approach, the findings from these cases move beyond sector and quality ranking of the hotel to capture more substantive and proximate differences reflective of the customer segment served. This brings the nature of strategy back into the equation in a very targeted way, and one which the case evidence makes clear has evident consequences for how people are managed and the resulting nature of HR practice in place.

In each of the cases in this study, HR practice is operationalised in a manner that is seen to fit the market segment(s) the hotel serves. That this happens almost organically and not as a result of an explicit HR strategy is noteworthy (Harney and Dundon, 2006). This suggests that market segment and owner influence interact to jointly influence the HR practices in operation. It is clear that a sharp focus on the customer is appropriate within a service environment, as there is evidence that it uniquely influences the management approach at all levels in the hotels studied. To overlook this important aspect represents a deficit in our understanding of the how and the why of HR practice in a service context. The evidence from these cases, which are broadly similar in size, ownership arrangements, and broad geographic location, highlights the impact of the market segment which is experienced both directly by employees via face-to-face customer interaction and also through the cumulative influence of social media review sites. This latter aspect is further explored in the section that follows. Combining these elements, this research provides an avenue to unpack the consequences of market segment for HR practice in smaller service-sector firms, thereby affording a deeper insight into elements of the 'black box' which have previously remained underexplored.

5.4 Social Media: An emerging tool for feedback and control in HR

The use and relevance of online review sites within the tourism sector, providing a forum for customer review and feedback, has become well established, with an existing stream of research demonstrating the influence of social media on consumers' travel planning and decision making (Ayeh et al., 2013 - see also Hernandez Ortega, 2018; Philips et al., 2015;

Thakur, 2018; Tran et al., 2019). However, over the course of the analysis within this study, a recurrent and critical theme emerged in the form of how the output of this technology was used to facilitate the management of people. This emergent finding relates to, and reinforces, the findings in the previous sections concerning owner-manager influence, while also directly demonstrating the determining role of segment.

The section which follows provides insight into the manner in which social media acts as an external and dynamic force to influence the nature of HR in hospitality-related case studies. Firstly, drawing on an analysis of online reviews, the prominence of staffing considerations as an explicit element of the majority of online reviews for each hotel is highlighted. Thereafter, an exploration of data from management and employee interviews provides an insight into the varied manner in which online reviews have infiltrated and influenced HR practice across the case hotels. Customer feedback enabled through social media platforms such as Tripadvisor was noted to provide a key input to HR practice, with examples across the cases demonstrating its use ranging from a complementary and integrated people management mechanism to a means of direct control in different hotels. Exploring the embedded or ad hoc use of social media platforms in these case hotels provides a pathway to achieving increased understanding of the influences on HR practice. Significantly, it is clear that the identified influences are potentially magnified in a smaller firm setting. Overall, this presents a novel and interesting factor which offers an important contemporary insight to the understanding of HRM in an SME context.

5.4.1 Analysis of Tripadvisor commentary

The availability of online consumer ratings provides an independent source of customer feedback in respect of each case hotel, which is an accepted indicator of customer value (Kim et al., 2015). Online consumer ratings typically include both numerical and text-based elements and it was decided to analyse a sample of these reviews to provide a more holistic understanding of each case hotel and to provide particular insight into the prominence of people considerations in the overall rating achieved. Additionally, customer review data available on social media platforms are recognised in the literature as providing a measure of performance for hotels, which may be considered a key employer outcome. Furthermore, the collation of this data for the case hotels potentially provides a means of data triangulation in this study.

As Tripadvisor was the social media platform most frequently referred to in each hotel studied, a selection of Tripadvisor reviews for each of the five cases for the months of July and August, 2016 and 2017 was analysed. The timing of this sample was considered appropriate as it reflected a period closely following the data collection interviews. Furthermore, an analysis of the number of Tripadvisor reviews per month for each hotel over a two-year period (see Appendix G) was used to determine which data points were likely to provide the most reviews in a comparable period, hence the months of July and August were selected for each of the two years.

While this study is primarily qualitative in nature, it is nevertheless possible to note some key points and trends based on the reviews collected. Using both the quantitative star rating and the qualitative elements of the reviews, the data from Tripadvisor are summarised in Table 5.8 below. [8] Specifically, it was clear that 5star had the highest satisfaction rating with the maximum possible ranking of 5 customer-awarded stars. Using the customer-awarded star rating on Trip Adviser as a metric, the average rating for 3starTown compares favourably at 4.7, making 3starTown the second highest ranking of the hotels over the sample period, followed by 4starCountry at 4.6. In terms of staff mentions, 5star had a high rate of such mentions (84.6%) in reviews as a contributory element of the customers' experience. This aligns with, and is reflective of, the strong focus on personality commencing at recruitment and selection stage and the overarching commitment to customer satisfaction (see Table 5.1). The only hotel with a higher rate of staff mentions was 3starTown which, with just over 90% has the highest number of reviews mentioning staff as contributing specifically to the customers' expressed view. Similarly, this reflects the talent-focused approach to HR in this hotel (see Table 5.1) and the desired market segment focus.

By way of comparison, 4starCountry had staff mentioned in approximately 75% of all reviews. This is likely reflective of the extended customer/staff involvement which typifies the pre-wedding planning stages and the event itself. Similarly, staff were mentioned in 74.5% of reviews posted in the case of 4starTown, as compared to less than 60% in 3starCity.

[8] While Booking.com reviews were not analysed in detail as part of this study, the overall ratings from this site were compared with the overall ratings from Tripadvisor. Although only four of the hotels studied were included on Booking.com, for those hotels a good level of consistency in rankings was noted. Ratings for the selected hotels varied between four and five stars on Tripadvisor (maximum possible rating of five stars) and booking.com rankings varied between 8.6 and 8.9 (maximum possible rating of 10) with the lowest ranking score awarded to the same hotel (3starCity) on both platforms (see Appendix F.1 .and F.2).

It was consistently noted across all five hotels that customers were more likely to name staff in positive reviews whereas individual naming of staff was found to be less typical in negative reviews. Despite this, in a small hotel setting it is more likely for example that the receptionist or a restaurant staff member who may have been noted as being helpful (or unhelpful), might be easy to identify by role without specifically naming the individual. This reflects literature which has established variance related to size (cf Wilkinson, 1999). Furthermore, the prominence of the staffing element (mentioned in over 76% of online reviews sampled) provides clear evidence that employee behaviours are critical in achieving positive performance ratings and reflect in a very proximal manner, the HR practice that underpins these behaviours in smaller services setting.

Table 5.8: An analysis of Tripadvisor reviews for the selected cases over a four-month period of July and August, 2016 and 2017

	3*City	**3*Town**	**4*Country**	**4*Town**	**5***	**Average (5 hotels)**
Favourable Reviews	87.5%	96.9%	96.7%	88.7%	100%	93.9%
Unfavourable Reviews	12.5%	3.1%	3.6%	11.3%	0%	6.1%
Staff mentioned	58.3%	90.6%	74.5%	74.2%	84.6%	76.4%
Average star rating awarded by Tripadvisor customers sampled	4.0	4.7	4.6	4.2	5	4.5
Reviews replied to	29%	0%	34%	52%	100%	43%

It was notable that there were no unfavourable reviews posted for 5star over the time period analysed, while 4starCountry and 3starTown had a very small percentage of unfavourable reviews at 3.6% and 3.1%, respectively. Both 4starTown and 3starCity had a somewhat higher rate of unfavourable reviews posted at 11.3% and 12.5%, respectively. Additionally, the percentage of reviews replied to by each hotel varied from 0% (3starTown) to 100% (5star), with an average response rate over all case hotels from the selected time period of this analysis at 43%.

The ability of 3starTown to achieve such excellent online ratings provides scope to consider how the approach to HR may reflect in the overall customer satisfaction ratings and the significant role that staff were noted to play in this assessment. Despite operating in very different market segments, evidence shows that the people management practices in both 5star and 3starTown favour a flexible but customer-centric approach and this would seem to be reflected in consistently positive customer reviews. This aligns with the findings of Torres and Kline, (2013) who confirm that the service element is more significant than physical facilities in achieving customer delight. The role of the owner or owning family in determining the nature of the work environment is significant also in both of these cases (Hedberg and Luchak, 2018; Ho et al., 2010; Martin, 2012). Policies and procedures are noted to be flexible enough to give way to common sense and the work environment is seen to consistently promote the idea of employees going further to assist the customer.

5.4.2 Social media and (as a) HR practice.

Through interviews and analysis of emergent themes on Nvivo software it became apparent that social media, in the form of online reviews, served to influence HR practice within the case hotels. This novel type of influence has rarely been considered in the literature to date, although consideration of labour process theory relating to the gig economy (cf Gandini, 2018) may be seen to offer some parallels. Its exploration within a hospitality setting provides a pathway to a more holistic exploration of how external and internal influences interact to shape HR practice.

From the case hotels, it became clear that each hotel uses Tripadvisor as a channel of customer feedback, albeit to different degrees and for differing ends. At a minimum, checking the comments and ratings for a hotel on Tripadvisor was typically a daily occurrence for management within all the case hotels, reflecting existing literature in the area (Baka, 2016). The integrated nature of this practice provides a dynamic means of customer feedback. This feedback, sourced through social media, was no longer simply used as electronic word-of- mouth (eWOM) influencing customer choice and buying decisions (Garrido-Moreno et al., 2018; Phillips et al., 2015), but is utilised as a core management tool which can be seen to contribute to HR system messaging (Ostroff and Bowen, 2016) and to directly impact employee behaviour.

Notably, 5star and 4starCountry were seen to be very susceptible to the impacts of a poor review and this was summarised by a member of management as follows *"we really take it personally if a guest complains ……it feels like it's a dagger in the heart if somebody puts a review on Tripadvisor and it's not [good]" (Manager, 5star).* In both hotels while a positive review would be shared with staff, a negative review would automatically trigger an immediate internal review. Initially, 5star had presumed that the clientele might not be active contributors to social media sites such as Tripadvisor, but this proved not to be the case. As a five-star hotel with an award-winning reputation, the intention is to ensure that every guest is treated like royalty. Therefore, 'self-imposed' standards, reinforced by a strong vision to offer the guest the holiday of a lifetime, normally prevent circumstances that might lead to a negative social media review. Similarly, the wedding day segment which forms a significant portion of 4starCountry's business is perceived to be very sensitive to a poor online review. In the case of both of these hotels, the customers may perceive that their interaction is considered a once-in-a-lifetime experience and therefore their expectations likely reflect this perception. Additionally, these are typically high-value transactions and the intended outcome is to delight, not simply satisfy, the customer (Torres and Kline, 2013). Based on the evidence from these cases, we see that market segment, value, and reputation management operate in concert to create conditions that afford social media reviews an influencing role in people management practices in these settings.

In contrast, in the case of 4starTown the concentration on group bookings such as 'hen' parties means that a poor review is unhelpful. However, it is accepted by management that despite the best efforts of employees and management, adverse reviews will occasionally surface. Indeed, with the larger customer volumes in both 3starCity (focusing on the accommodation segment – see table 5.3 above) and 4starTown, it is likely that staff in these settings will not know each customer individually. As a result, there is greater potential for false reviews to be posted, with the result that management are perhaps more prepared to treat a single poor review as an outlier. In both hotels, positive social media reviews are typically shared with staff, while negative reviews would result in an informal review to determine any appropriate actions, which would then be discussed with relevant staff. Therefore, in both these cases, there is evidence that the primary market segment influences the way in which social media is incorporated into the overall customer feedback channels within the hotel.

Furthermore, smaller businesses are acknowledged to be resource-scarce (Kroon et al., 2013) and the use of social media as a readily available and free management tool may be considered to be of pragmatic benefit. The case of 4starCountry is a clear example of this, where employees were explicitly conditioned from the early stages of their service to appreciate the significance of such feedback and to encourage new staff to be aware of their actions at all times. This included getting each new employee to sit and read Tripadvisor reviews as part of the induction phase within this hotel, thereby giving it a credibility that goes beyond the intended purpose of the social media platforms used and providing a basis for "techno-normative forms of control" (Gandini, 2018:3). Despite this, both employees and management in this hotel accept that this is the norm and Tripadvisor reviews are an integral way in which feedback is processed: "*Sure everybody reads [Tripadvisor]. Everyone is very interested in it" (Director, 4starCountry*). Indeed, building on the work of Garrido-Moreno (2018) this study provides an insight into how social media adds potential value within a smaller hotel setting, by directly providing an input to the means by which staff performance is potentially monitored and feedback given. This expands the work of Aral et al., 2013 who had highlighted the potential for a value-added contribution from social media (beyond the marketing sphere) in areas such as finance and HRM.

Notably, 3starTown demonstrated an awareness of the reputational role of social media but its principal aim, that the customer should leave happy, seemed to be an overriding objective. Nevertheless, positive reviews would be shared with staff and the content of negative reviews would be communicated by way of a memo on the relevant noticeboard. However, 3starTown did not typically post online replies to customer reviews (a practice that is correlated with improved performance, cf Kim et al., 2015). In this way 3starTown might be described as less engaged with social media and primarily focused on more traditional modes of interacting with the customer. The multi-segment approach of this hotel and the loyal customer base, combined with the consistent involvement of family, points to a somewhat lessened social media influence in the management of people here.

Across the cases there was evidence in certain circumstances that some employees were nervous of the power of social media and actively adjusted their behaviour where a potential poor review might be likely. One employee reflected that *"I like seeing those nice reviews on Tripadvisor but sometimes people threaten with that and I'm like, "Please don't do that. That's terrifying….. if they've had a real bad time. They're like, "You're going to get a review" and it's like, "Listen, if there's anything we can do to change your mind, please*

don't put anything on that website!"(Frontline employee 6, 3starCity). This provides potentially increased opportunities for the customer to use this mechanism as a source of additional power in the frontline service worker/customer relationship. The public nature of social media sites will also likely lead to greater focus on the bad rather than the good in terms of feedback and this was openly acknowledged in the case of 4starTown. Social media has also contributed to a change in the way complaints are typically dealt with. As a result, service recovery (Cheng et al., 2019) is now frequently being performed online in a public arena, whereas traditionally this area of management typically involved a private exchange of views between customer and management. As a result, the power of a potential adverse social media review within the wedding market for example is significant. In this context, the GM in 4starCountry reflected that even where the hotel is not at fault, the negotiation power of a complaining customer is such that the hotel will often offer a price reduction to ensure the customer leaves satisfied and to avoid the possibility of a negative online review. In the words of the GM it is "*unfortunately, [it is] easier to give it away than to fight it" (GM, 4starCountry).*

Considering management style, market segment and the use of social media in a combined manner leads to greater insight into the resulting nature of HR. From table 5.9 below, it is clear that the use of social media can vary from an almost ad-hoc approach in 3starTown (for example where reviews are frequently monitored but not typically replied to), to an integrated approach in 5star, 4starTown and 3starCity (reviews monitored with content relayed to staff, but as part of a larger exercise in managing feedback). In contrast, 4starCountry used social media in isolation from other feedback mechanisms (such as performance appraisals) and so it was noted to operate as a means of increased control and one which has the potential to have unintended outcomes for employees (e.g. where an employee is specifically named in an adverse review). By consistently highlighting the threat of a poor review, management in this hotel make use of online reviews as a primary source of feedback to frontline staff, thereby further aligning and strengthening the HR system in place (Ostroff and Bowen, 2016). However, when included as an integral part of a more rounded feedback mechanism on performance in other settings (e.g. 4starTown, 5star, 3starTown), social media has the potential to contribute as a novel and effective means of motivation-enhancing practices (Subramony, 2009; Rauch and Hatak, 2016). Furthermore, this manifestation of social media provides us with insight into a new form of 'negotiated order' (Ram, 1991) which directly incorporates stakeholder interests in the form of the

customer influence and ultimately provides the potential to reduce the scope for staff resistance. This dynamic is one which is likely to have resonance beyond the hospitality sector.

Table 5.9: Comparison of Tripadvisor (TA) usage across case hotels

Hotel	3starCity	3starTown	4starCountry	4starTown	5star
Primary Market Segment	Accommodation non-local market.	Multi-segment. Local/ tourist/ functions.	Wedding.	Multi-segment – 'Stag'/'Hen' and business.	Luxury 'once in a lifetime' holiday destination.
Management style	Participative; Paternalism.	Participative; Paternalism.	Authoritarian; Benevolent autocracy.	Participative; Paternalism.	Participative: Professional Paternalism.
Typical response to poor review	Informal review and share with relevant staff.	Display/share with relevant staff via memo on noticeboard.	Immediate internal review.	Informal review and share with relevant staff.	Immediate internal review.
Impact of one poor review	Low.	Medium.	High – Critical.	Low.	High.
Typical response to good review.	Display/share with staff.	Display/share with staff.	Display/share with staff.	Display/share with staff.	Display/share with staff.
Overall approach to Tripadvisor.	Embedded and integrated. Used as a complementary people management mechanism, not a primary means of control. Provides an overall measure of performance via cumulative scores.	Less embedded with ad-hoc/ passive use. Source of feedback tangential to other feedback sources.	Embedded. Used as a key means of control and a direct people management mechanism.	Embedded and integrated. Used as feedback and not as a primary means of control.	Embedded and constructively integrated into mgt systems as an additional means of quality control.

5.4.3 Integrating social media into understandings of HRM

Moving to consider the active use of social media technology for purposes quite diverse from its original intended use presents a number of related considerations. Firstly, the influence of social media moves from an outward focus in the customer relationship management domain (e.g. promoting the hotel brand) to a more inward focus within the employee domain, which includes use in the socialisation of new employees, as a source of employee feedback,

and as a means of control (see figure 5.9). In so doing it re-centres the customer in this equation and integrates elements of the people management and marketing agendas of an SME in a real-world manner. To date, the majority of the HR literature relating to service sector SMEs has investigated elements of the HR agenda in somewhat discrete ways (either as individual elements or as a cumulative effect of HR bundles on performance - for example, see Altinay et al., 2008 for a discussion on the relationship between HRM practices and growth). This current study, at the nexus of the marketing and HR disciplines, provides a means to achieve additional insights and in doing so responds to the call of Subramony and Pugh (2015) to further investigate HR practices in services settings by intersecting the traditional parallel research streams of management and services marketing literatures. In establishing a line of sight between the services marketing perspective and the nature of HR practice in services, this research provides something of a missing link, re-connecting external and internal factors which are often acknowledged in strategic HRM theory but less frequently integrated in SME research.

Secondly, the use of social media reviews in this manner transfers power to the customer, rebalancing that relationship in favour of the more traditional servile approach in a services environment, where the customer may be perceived to be king (Korczynski, 2002). The use of customer rating platforms potentially reflects a more managerialist approach (Gandini, 2018) and, particularly in a context offering limited employee voice, likely facilitates a reduction in scope for employee resistance. Additionally, the more public and coordinated voice of the customer arising from online review platforms may be seen to act as a shadow employer (Friedman, 2014) and this may require some re-balancing through supervisory/owner-manager input.

Thirdly, it potentially distances management from their typical duties and responsibilities in the employer/employee relationship: *"Tripadvisor is a great help. It's a great management tool I find. It drives people to be the best. And then if a customer has a comment, then the customer said it, I didn't" (Director, 4starCountry).* In this way, social media serves to enable the reinforcement of owner-manager values and viewpoints, but in a perceived more objective fashion as emanating from an independent, external source (Du Gay and Salaman, 1992). This is something management, especially in 4starCountry, used to their benefit. The deployment of social media in this way may be seen by management as an alternative method of providing ongoing feedback to frontline staff, as an additional means of employee control or as potentially compensating, to some degree, in the absence of a systematic performance

management approach (which is rarely formally established in SME environments). However, it is clear that the adoption of this approach may leave a vacuum in managing the performance of employees who are not ordinarily customer-facing, thereby increasing the distinction between front and back-of-house employees in a service environment.

Evidence presented above not only expands our understanding of the reality of the operation of HR practice in smaller firms, but reinforces the means by which unintended rather than planned outcomes may result (Wright and Nishii, 2007). Additionally, the use of social media in these cases provides insight into the elements (including visibility, understandability, salience, and coherence) that support HR system messaging (Ostroff and Bowen, 2016) thereby contributing to the alignment of HR practice and the strategic priority for the firm (Han et al., 2019). Combined with the influence of owner-manager, family or significant stakeholders (see section 5.2 above) this offers a very powerful coalition in achieving strategic alignment in smaller firms. The implications of this coalition of stakeholder interests, move our understanding of the role of strategy in SMEs well beyond simple dichotomous classifications offered previously by Edwards et al., (2006) in their framework. Furthermore, it highlights the potentially self-reinforcing impact of online reviews in the HR practice ←→ performance cycle.

Furthermore, considering size as a co-varying factor it is clear in this context that employees in smaller hotel settings are likely to be subject to greater pressures from a single poor social media review (due to easier employee identification and also greater potential impact on business outcomes) when compared to a poor review in a larger hotel setting. The impact is further magnified in the smaller hotel setting where management may opt to use it almost exclusively as a basis for feedback and in some cases to compensate for the absence of other formalised performance appraisal mechanisms. The fact that this is a 'feedback tool' provided at no cost, only increases the likelihood of its use in smaller settings. This serves to reinforce further the existing literature which acknowledges that small businesses are not simply little big businesses (Welsh and White, 1981) and to presume so, overlooks the contextual factors (for example peer pressure, a strong team ethos or magnified impact of market forces) that may determine their manner of operation. Furthermore, it builds on the work of Marlow (2006), Tsai et al., (2007) and others who contend that sector may be more important than size, by highlighting a more nuanced treatment of size impacts *within* a same-sector study, thus facilitating movement away from a deterministic view of size that has prevailed in the literature to date (Marlow et al, 2010). While not erasing size as a relevant

determinant, it signals that a more insightful approach has merit in advancing knowledge. For example, it is possible that size may show a strong correlation in the existing literature in relation to the formality/informality of HR practices (Forth and Bryson, 2019), but may prove less significant than market forces and segmentation choices within the SME arena.

5.5 Revisiting the stakeholder framework in services

Building on the proposed stakeholder framework of HR determinants in service sector SMEs as presented in Figure 2.1 the findings from these cases clearly demonstrate the heterogeneity of HR practice in existence. As noted in section 5.0 above, the resulting explanation moves beyond deterministic or unilinear approaches and clearly points to the potential to adopt practices that depart from traditional "low road HR" in hospitality. The compelling findings arising from this study extend our understanding of the important influence of stakeholders such as customer and owner/family and signal the relevance of accommodating an integrated examination of these key influences.

Reflecting on existing literature it is evident that previous HR frameworks have generally failed to adequately accommodate the influence of the customer. Drawing on the services literature (as outlined in section 2.8) the proposed framework presented in figure 2.1 points towards customer influence as represented through market segment. The findings from this study can be seen to refocus attention beyond a typical broad brush treatment of sectoral and product market influences to the specific and nuanced impact of various market segments as evidenced in the case hotels. Additionally, the framework helpfully accommodates an embedded view of customer influence, both as an input to the HR strategy and policy and as a feedback element from both service focused and strategic level outcomes.

A review of the role of owner-manager and family influence offers clearer insight into managerial style, physical presence on site and social relationships/family. The proposed framework (figure 2.1) had included both ownership and family involvement as influencing factors but the output of this research highlights the merits of considering these in an integrated manner. In so doing the social relationships in place were noted to be significant, with examples provided of reinforcement of owner and familial perspectives in some cases, while in another example (4starCountry) the general manager was an

ameliorating influence to the owner-manager's style. These dynamics have been absent from existing considerations.

On revisiting figure 2.1 it is clear that while contextual factors are important, this framework had not adequately considered the role of technology beyond its role as a broad environmental influence. Specifically emergent findings from this study point to social media as a dynamic means of customer feedback within a services setting and one which has the power to directly influence HR practice (with examples of its use as both a means of socialisation and also as an input to the disciplinary process in 4starCountry).

A review of the stakeholder influences referred to above is presented in Table 5.10 below. In addition to summarising key influences on HR practice in an SME services context, this table provides an overview of how these influences are unpacked and so provides a clearer understanding of both the dynamic nature and the significance of the interactions between stakeholders. Building on the proposed framework presented in figure 2.1 the role of the customer is seen to be embedded in both segment and technology influences. Furthermore, examples given in the table below highlight the iterative nature of HR practice in these smaller firm settings with clear evidence that company outcomes (such as customer feedback) act as an input to HR practices in these case hotels. This evidence moves debate beyond a traditional normative view of HR (derived from research in the context of larger firms) which frequently has acted as a baseline for discussion around HR in SMEs.

Table 5.10 Stakeholder influences and outcomes in service sector SMEs

Stakeholder Influence	Operationalisation	Examples of visible influence	HR /Company outcomes
Market segment/customer	Customer expectations directly influences both general and HR strategy and policy	Influences R&S practice and sets standards/norms for ongoing employee selection Influences reward levels (extent of conformity, benchmarking etc.) Influences nature and extent of training & development	Combined decisions around reward levels, and training and development approaches contributes to stronger/weaker labour market; [Customer feedback acts as input to expectations]
Owner/Family influences and Managerial style	Operates in concert with significant others e.g. other family members/general manager reflecting social relationships in place Ameliorated or enhanced through these relationships Physical presence on site/ geo-spatial considerations relevant but not always the dominant influence	Influences reward practices and training and development approaches e.g. extent formal or informal? Drives style of communication/ employee voice i.e.	Employee retention and engagement
Technology	Dynamic feedback from customers through social media	Influences informal performance mgt practices Influences induction and socialisation of new employees Potential to initiate disciplinary process	Increases employees' market awareness Connects customers and employees; stronger 'line of sight' Increases customers power through the often public resolution of complaints highlighted via social media channels Provides a tool for the management of staff [Customer feedback acts as input to expectations noted under market segment influence]

5.6 Summary

Based on this investigation, it is clear that the variation in HR practice among smaller hotels of varying quality cannot be adequately explained by star-rating alone. Moving beyond size determinism (Nolan and Garavan, 2016), sector (Tsai, 2010), or quality rating as explanatory elements, a more complex relationship comes into focus. Furthermore, in reflecting on the determinants of HR practice which are pertinent to a smaller business, it is increasingly clear that the extant literature, primarily based on the larger firm environment, does not provide adequate explanation. Findings presented in chapter 4, show that the uniqueness of the service environment cannot be ignored and must be considered a constituent and significant element of the system that produces and reinforces HR practice in evidence in many smaller service firm settings. To overlook these elements is to ignore the context which provides much of the meaning. That elements may seem unique to a particular case does not make them less significant in this analysis. It is the interactions between these elements that are of particular relevance in enhancing understanding of smaller sector firms.

The evidence from the case hotels highlights the limited analytical usefulness of existing frameworks such as that provided by Edwards et al., (2006). Notably, these fall short of providing a means to capture adequately the nuances of owner and family influence (included under resources in their framework) and management style as they interact and change. For example, management style of different types and their ensuing tensions can be identified *within* the case of 4starCountry and these tensions play out in the manner in which HR practice unfolds in reality. Additionally, product market influence labelled by Edwards et al., (2006) as either 'competitive' or 'under a degree of control by the firm' underplays the many complexities that may be introduced as a result of more specific market segment considerations. Evidenced in the case hotels, the choice of market segment is seen to have a direct influence on HR practice via the expectations of customers in that segment. This, in turn, has implications for the actions required from employees to achieve customer satisfaction. While the identification of market forces as a determining factor in HR practice is not in itself new to the literature (Porter, 1985; Schuler and Jackson, 1987; Kelliher and Perrett, 2001) previous studies have not explicitly considered how market segment may interact with other influences to reflect the reality of HR practice in service organisations.

Critically, elements such as owner's philosophy, managerial style or family involvement are seen to co-evolve (aligning with Farndale and Paauwe, 2018). The case hotels provide examples of owner's philosophy being impacted and shaped by market segment considerations, and managerial style, as exhibited by the owner, being either amplified or ameliorated by the influence of the general manager. This further highlights the requirement to move beyond a one-dimensional exploration of the influence of the owner in order to provide a more holistic and meaningful understanding of the manner in which determinants interact.

Based on the findings presented in the previous chapter, any study of services necessarily brings both customer and market segment into sharp focus. Increasingly, the customer perspective is gaining attention via the growth of social media channels. It is clear that the context of services provides a unique environment which is susceptible to the influence of "reputational metrics" similar to those highlighted by Gandini (2018) in the context of the gig economy. Moreover, beyond its intended purpose as a marketing tool, an emergent finding from this thesis concerns the use of social media as a people management mechanism within these smaller hotels. In so doing, this research contributes to a nascent stream of literature which utilises social media to provide "an enhanced understanding of the employment relationship" (Conway et al., 2019). Examples from the case hotels are given of its use in socialising new employees (4starCountry), as a means of customer feedback (4starTown; 3starCity) and as a quality control measure (5star). Its use in these various ways contributes to a rebalancing of the power relationship between employee and customer. Reflective of stakeholder theory (Freeman et al., 2004), this revised dynamic has the potential to define a new type of "negotiated order" (Ram, 1991). The use of social media in this manner feeds directly into the dynamics of a service encounter, providing another layer of understanding of HR in this context and contributing to an explanation of why it operates as it does.

Furthermore, evidence from this study shows social media being embedded to different degrees across the cases investigated. In all five cases, the practice of using social media reviews as a performance feedback element was noted to have developed organically rather than in a structured manner. This echoes earlier work by Drummond and Stone (2007) in terms of how HR practice develops in smaller companies. These insights further extend understanding of how HR practice in smaller service companies may develop organically

(Drummond and Stone, 2007) and yet align (Han et al., 2019), both vertically and horizontally in a smaller firm setting.

Chapter 6 – Conclusion

6.1 Introduction

This chapter reflects on the main contributions made within the thesis in the context of the stated research question and objectives. Specifically, it provides insight into the nature of HR practice in existence in service sector SMEs within the hospitality sector. Utilising a sample of smaller hotels and giving preference to a stakeholder perspective has facilitated a more holistic exploration of the reality of HR in this setting than has hitherto been evidenced. Specifically, data collected from both employers and employees, together with insights from customer feedback channels are combined to offer an improved understanding of how the identified determinants influence HR in service sector SMEs. Cognisant of some identified gaps in existing HR literature as related to SMEs (as outlined in chapter 2), the findings of the thesis offer additional insight and a means of progressing a more nuanced discourse on the reality of HR practice in smaller service firm settings. This chapter reflects briefly on the contribution made by the study with contributions to theory, method and practice considered separately. Thereafter, a brief reflection on the research journey is provided before identifying some key limitations and potential avenues for further research.

6.2 Contribution to theory

Findings from the current study point to clear diversity in HR practice even within a single sector sample of smaller firms. This challenges any automatic presumption of isomorphic approaches within an SME environment thereby refocusing attention on the interplay of external and internal factors.

6.2.1 Managerial agency as situated in the smaller firm

An increasing body of literature attests to the heterogeneity of HR in SMEs (Forth and Bryson, 2019; Kitching and Marlow, 2013) with clear acknowledgement of the important role of the owner-manager both in the prevailing philosophy and values that exist (Drummond and Stone, 2007; Messersmith and Wales, 2011), and in the nature of human resources in SMEs (Marlow, 2002; Tsai, 2010). Despite this, existing literature fails to offer a holistic explanation of *how* the owner-manager influence unfolds in reality in a smaller firm context.

Whereas previous literature has considered management style (or owner's influence) primarily as a singular determinant of HR practice (Baron and Hannan, 2002; McClean and Collins, 2019) the evidence here demonstrates that a more integrated exploration is necessary. For example, with reference to the owner-manager/general manager dynamic it is clear from the case hotels that determinants such as the owner's presence on site can have considerable significance within the smaller firm setting (4starCountry), but equally that the owner's imprint can remain visible even in their absence (5star) (Baron and Hannan, 2002). In unpacking the owner-manager's influence the research highlights the significance of the owner's presence (or absence) being further impacted by the degree of alignment between the managerial styles of owner and general manager in particular, and by the nature of the social relationships in evidence.

Moving beyond a simple acknowledgement of the importance of elements such as managerial style (Edwards et al., 2006), this research therefore unpacks key complexities as they apply in particular contextual settings (e.g. family firms in a services setting, owner involvement and presence, and complementary or contrasting management styles between OM and the GM or equivalent). Across the various case hotels the owner's managerial style is implemented in a variety of ways. The shared powerbase evident in the case of 3starCity reflects the complementary management styles of owner and GM, whereas in both 4starTown and 5star the owner's style is amplified though the GM in the owner's absence. In contrast the GM plays an ameliorating role in 4starCountry. In the absence of a GM in 3starTown, the strong familial involvement ensures that the management style of the owner is further embedded. Embracing the nuances of these interrelationships is key to understanding the manner in which HR practice is actually experienced in these smaller hotels.

In summary, this research demonstrates that considering management style as a standalone factor is inadequate if we are to achieve a holistic understanding of HR in smaller firms. Reflecting earlier work by Granovetter (1999) and echoed by Edwards et al., (2006), geo-spatial and social relations with GM/family can be seen to be constantly changing and interacting together and as such they reflect the potential for either powerful cohesion or potentially destabilising tensions. This research strongly supports consideration of the integrated influence of managerial style alongside other internal features within the smaller firm environment in order to enable a more holistic understanding of HR in SMEs.

6.2.2 Reflecting the customer's role in services

A considerable weight of literature within services highlights the importance of incorporating the influence of the customer (Korcznynski, 2002). Within the marketing literature established contributions by Vargo and Lusch (2004) present a service dominant logic underpinned by a co-creation paradigm. However, HR literature has been slow to incorporate this perspective, leaving the potential benefits to be found at the nexus of these two disciplines substantially unexplored. Undoubtedly, the impact of new technologies have meant that the customer influence has strengthened considerably with the advent and development of social media platforms which provide for the dissemination of user-generated content (UGC) on a hitherto impractical global scale.

Evidence from this study shows that Tripadvisor, which was intended as a customer review platform, is quite commonly used for alternative purposes including as a tool for employee feedback, development and control. In this way it overlaps with HR in a novel way, providing both an increased (but outward) connection with both actual and potential customers, but also serving as an input to HR practice. The interaction between these dimensions has not been the focus of specific SME research previously and the novel pathways they highlight provide a means to further illuminate *how* HR becomes established in SMEs. Evidence from this study emphasises the direct connection between customer and employee that prevails in a service environment. In this setting the role of social media (inwardly focused) as a determinant of HR practice brings us beyond our previous worldview of HR. Benefitting from the unique customer-employee connection provides a means to enhance the vertical alignment between employee actions and firm objectives in the context of smaller service firms specifically. This insight builds on the work of Han et al., (2019) in highlighting pathways by which the centrality of the employee is critical in maintaining alignment. Moreover, it offers the potential for smaller firms to benefit from the agility that is considered desirable (Heilmann et al., 2018) and which may offer a source of competitive advantage.

While formal strategy and policy is typically found to be limited in smaller firms, this research points to an alignment between market segment and HR practice. This fit (achieved organically) represents a combination of the resources of the firm including human and social capital (e.g. GM) with market segment influences. It goes some way to explaining how bundles of HR practice may come to exist and why their portability between firms is

not simple (cf Drummond and Stone, 2007). Exploring the owner-manager influence on HR practice, without reference to external environmental influence can be seen to only provide a partial explanation.

6.3 Contribution to methods

This research brings us beyond the traditional HR literature situated in the larger company environment, where formal written policies dominate. The approach taken in the study responds to concerns that more positivistic approaches tend to lead to a count of HR practices in operation (Guest, 2011) without building associated fundamental understanding about how embedded, consistent or aligned these practices may be within the organisation setting. (Wright and Nishii, 2007). Indeed, it has long been noted that SMEs may not benefit greatly from formality (Marlow et al., 2010) as it limits agility (Heilmann et al., 2018). Heilmann et al., go so far as to suggest that "it might be possible for large companies to learn something from SMEs' agile operation models" (2018:2). The reality for the smaller firm is that practices are driven by a myriad of complementing and competing influences beyond that evidenced in formal policy statements.

Evidence from this study further supports the view that examining the HR practice of SMEs by reference to a quantitative assessment of formal policies in place may lead to an engagement with the intended, rather than the actual practices in place (Wright and Nishii, 2007). This is likely to fall short of the complete understanding that is desired. Adopting a more qualitative exploration of HR practice in SMEs this study reflects the perceptions of both employers and employees thereby addressing in part the neglect of the employee perspective noted in earlier HR research (Harney and Alkhalaf, 2021). In this way it beneficially moves away from a traditional management-centric assessment of HR practice in smaller firms and one which Verreynne et al., note leaves "those with greatest insight outside the research frame" (2011:20). Moreover it responds to the call of Tsai 2010 to explore the additional potential of a single sector study.

The study serves to reinforce the merits of incorporating a multi-stakeholder perspective. Moving beyond calls to ensure a more balanced representation of both employers' and employees' views (Harney and Alkhalaf, 2021) the inclusion of a customer perspective adds value and insight which is of particular relevance in a SME services setting. Utilising data

collected from Tripadvisor as a means to include the customer perspective provides a methodological contribution. This source of data offers insight into the customer evaluation of both the physical and people aspects of the service. As such it provides an assessment of performance in SME hotels which may be considered valid and useful in the absence of other easily assessable performance indicators. Moreover, it provides a particular means of capturing real time customer sentiment which may be of value in assessing changes in customer-focused HR outcomes within an open systems environment. The use of such customer data and insight has been hitherto absent from HR research, including that which explores the service context.

6.4 Contribution to practice

This research is of benefit to practitioners in SMEs as it moves beyond an emphasis on normative prescriptions/models of HR to recognise the merits of an approach, which is sensitive to the likely challenges and realities faced by SMEs. The findings build on earlier work re formality/informality by clarifying that a reliance on formal HR practices is not likely to apply in many SME settings and that well-aligned informal HR has the potential to offer substantial benefits in these settings. In the selected case studies there was evidence that the much sought after agility (Heilmann et al., 2018) that it offers may support a more iterative approach to strategy-building in smaller companies. In this way it provides further support for the view that strategy is not a linear process and "often emerges retrospectively" (Harney and Collings, 2020:2).

Jackson et al., acknowledge the "potential benefits of effective HRM systems" (2014: 41) but bemoan the lack of "a deep understanding of the dynamic process through which HRM systems arise, morph, migrate, rigidify, and atrophy" (2014:41). This study contributes in part to this identified gap in the literature by illuminating the manner in which owner-manager and family influences act in concert with the influence of social media to form and/or alter the nature of HR practice in operation within a service SME environment. It provides a partial insight to the means by which elements of the HR system develop organically rather than as a result of formal planned structures and policies in this environment. Accepting this dynamic development of HR practice reinforces the scope for practitioners to accept that formality is not always desirable in SMEs (Bacon et al., 1996;

Drummond and Stone, 2007) and that the presumption of a linear development of strategy to HR practice is often an over-simplification of reality.

Furthermore, it highlights that the development of HR practice, directly influenced as it is by customer feedback though social media channels, may be one means which serves to maintain the alignment of owner, employee and customer interests via semi-organic means. This outcome is of interest beyond the identified sector of this study as it may offer a path to alignment which has often challenged traditional performance management systems. Indeed, those with responsibility for HR in SMEs may rebalance their expectation of a complete reliance on formal performance management systems in favour of more direct sources of stakeholder feedback. Significantly, this research has drawn attention to the manner in which social media outputs are utilised as an input to performance and quality standards. However, some caution is warranted. Practitioners should note that the ease of obtaining timely feedback must be balanced against a requirement for the mediation of direct customer opinion in a public forum, if undesirable outcomes for employees are to be avoided.

Increasingly it is clear that all organisations must adapt to new technologies and new environmental influences. This research highlights that HR is not immune to such influences operating as it does within what has been referred to as the semi-permeable membrane of the organisation. Developments within social media, such as those highlighted in the cases investigated require active management if they are neither to dilute nor dominate existing HR practice within a business (and potentially undermine the strategic intent of the business). Notably, the incorporation and input of social media into HR practice is at once cost effective and helps mitigate the challenges of proximal relations between managers and employees as it can be used as a perceived 'neutral' source of feedback that is one step removed.

6.5 Reflecting on the research journey

The completion of this research study offers the opportunity to reflect on the both the contribution that it offers and the journey taken. Having commenced with an initial interest in how HR in SMEs supported performance via high performance work systems in particular, the significant relevance of the nature of HR practice in SMEs came centre

stage (see section 1.1). The focus of this research therefore moved to consider the nature of HRM in SMEs more specifically, together with allied research questions seeking to explore the determinants and subsequent influence of HR.

A review of the literature on HR in SMEs (chapter 2) highlighted some key gaps in the current understanding. Notably, the predominance of survey based approaches contributed to the debate on "what" HR was in place in this setting but offered little insight into the question of "why". Early research had tended to generically accept size as the underpinning reason for any difference noted in HR practices without acknowledging that this was likely a partial explanation. Moreover, it was clear that HR research generally had focused to a greater extent on manufacturing rather than service settings.

Having identified a gap in existing literature and reflecting the researcher's personal interest in SMEs (as outlined previously in section 1.1), a decision was made to locate this research within a smaller hotel setting. Initially, the intention was to seek access to a range of similarly sized hotels from each of the 2 to 5 star-rated categories. However repeated attempts to secure access to a comparable 2 star hotel proved problematic when additional research criteria (see section 3.3.5.1), such as excluding group ownership or location, were adopted. While this was frustrating for the researcher, it became clear as the data collection process continued that the absence of a 2 star hotel was not critical to the quality of the research output. Reflecting the qualitative approach taken this was an example of the way in which the research agenda evolved somewhat due to pragmatic considerations (as outlined in 3.3.2). In parallel, this approach also provided for emergent findings such as those relating to the influence of social media which proved insightful. It is recognised that these would have been unlikely to form part of the output of a quantitative study.

Considering the final research contribution it can be seen to reflect a combination of personal interests, philosophical positioning and methodological choices (as outlined previously in chapters 1 and 3). Specifically, it is acknowledged that the approach taken necessarily reflects both the practitioner influence and the more subjectivist positioning of the researcher (as outlined in section 3.2). This positioning and the interpretivist approach taken have facilitated a contribution which moves to unpick the "why" of HR in place. In so doing it offers a more contextually sensitive understanding of HR within smaller services settings and it reinforces the merits of a multi-disciplinary approach to research of this nature.

From a personal perspective, the research process has proved to be a challenging but satisfying endeavour. Throughout the process the researcher has sought to provide an authentic account of the reality of HR in a SME service setting. By acknowledging the role of the researcher in the methodological choices made (see sections 1.1 and 3.2) it is intended that this adds confidence to the stated contribution. It is hoped that the research contribution as outlined earlier in this chapter adds beneficial insight and provides a means to advance a context-sensitive debate on the nature, determinants and influence of HRM in service sector SMEs.

6.5.1 Reflecting on key determinants of HR: beyond a unilinear approach

In order to address the identified gaps in existing literature it became clear that a fuller understanding of context was of paramount importance in achieving further insight (Cooke, 2018). Building on the literature review presented in chapter 2 and utilising the framework presented by Edwards et al., (2006) provided the basis for the development of a proposed stakeholder framework focused on HR determinants in service sector SMEs (see figure 2.1) and thereby providing a conceptual frame for the research undertaken.

The output of this research has provided increased insight into the reality of HR practice in service sector SMEs through the exploration of determinants such as market segment/customer influence, owner-manager, and technology in the form of social media. A key element of this contribution is the dynamic and integrated manner in which these stakeholder influences operate (table 5.10). Reflecting on the evidence provided in table 5.10 above moves discussion beyond a unilinear approach to HR and highlights a more iterative version of HR which better represents the nature of HR likely in service sector SMEs. Going forward it would make sense to explore the interrelationships and potential interactions between other determinants. This means while useful, the initial framework proposed only provides a partial understanding and one that would need to be supplemented by more fine grained appreciation of contextual factors, most notably customer influence as manifest in technology and segment and the dynamics of owner-manager control, moving beyond a one dimensional treatment of style to a relational component taking into account other key factors informing the design, enactment and employee experience of HRM.

6.6 Limitations

While the evidence presented in this thesis provides a pathway to a more enlightened understanding of HR in SMEs, it should be acknowledged that limitations exist due to the cross sectional nature of the study. The opportunity to engage in a more longitudinal study could provide additional insights, especially as related to introduction and sustainability of HR. Of particular note in this context is the timing of data collection which followed an economic downturn (from 2008-2014) and which necessarily resulted in the selection of SME hotels from those hotels remaining in operation under independent management at the time. Different case selection at a different time could reflect different external pressures due to a changed economic situation. The recent impact of the global pandemic is a further reminder of the impact of external forces on the hotel sector and consequential changes to HR practice may be anticipated.

Moreover, it is acknowledged that the output of research, based on case studies, is not intended to be generalizable to other sectors. While findings may have relevance in other high customer contact services settings any potential applicability would need to be reviewed in light of relevant contextual influences. Instead the focus has been on theoretical and analytical generalisability (Yin, 1984).

Furthermore, while the accommodation of context is a central foundation of this thesis, it is recognised that the inclusion of contextual influences is sensitive to the role of the researcher. In the words of Cooke, "the researcher plays an important role in screening the context" (2018:4) and therefore it is important to be conscious of what Cooke describes as subjective context (i.e. the interpretation of context based on one's intellectual upbringing and perspective). While efforts were made for consistency and ensuring rigour e.g. semi-structured interview schedules and Nvivo coding, research is always subjective and open to multiple interpretations.

6.7 Further research

While Madera et al., (2017) assert that there are few contributions in the hospitality literature that go beyond what is known form the general management literature, the specific and important acknowledgement of the influence of the customer in this thesis presents an avenue for future exploration. Building on the current study there is scope to explore the

applicability of the findings in alternative settings, including other high customer contact services settings.

The critical input of front line workers to performance in a services context is well noted (Chuang and Liao, 2010). Connected to this, high contact services roles specifically incorporate a significant emotional labour (EL) element. While EL was not the focus of this study, evidence from the case hotels reflects that the management of EL is relevant to employee outcomes. A recurring theme from the case hotels indicates that respite from frontline service is an important element of employees' coping strategies, and allied to relevant training may help to ensure consistent service provision through continued employee engagement. Future research may benefit from an investigation into how HR practices in SME service settings support EL norms.

Established literature documents the role of social media from a marketing perspective. While there is an increasing focus on the impact of digital technology within the service literature generally and within hospitality in particular, to date this has tended towards a customer focus. An identified gap exists in our understanding of the impact of technology on employees (Kunz and Walsh 2020; Madera et al 2017; Wirtz and Jerger, 2016). The influence of digital technology on employees is one aspect of business research which is underexplored. Some interesting avenues of investigation have considered the role of social media as an input to performance management (see Sidorova et al., 2016) while Lariviere et al., (2017) have investigated the roles of technology, employees and customers in what they term Service Encounter 2.0. Furthermore, a parallel stream of literature seeks to explore implications for employees arising from practices in the gig economy (Gandini, 2018). Overall however, literature on the impact of social media in HR remains in its infancy. This research responds to calls to advance knowledge in the area by exploring the influence of social media on HR practice in SME settings. Future research beyond the SME sector could prove insightful in comparing the influence of social media in larger hotel settings.

Building on the findings in this research and benefitting from the market segment lens adopted here, the evidence presented suggests that there may be scope to consider an alternative framing of key influences. For example, the combination of segmentation characteristics together with standardisation and high/low value-added (HVA/LVA) positioning of the service. This provides a potential means to extend previous literature focusing almost exclusively on the implications of HVA/LVA to provide a more practical

intertwining which may have greater relevance and more direct application in a services context. Framing the findings in this manner draws attention to potential combinations of HR which may be considered a fit for standardised versus non-standardised services. Mapping the findings from the case hotels in this way has the potential to move beyond broad categorisations of sector and size as primarily fixed considerations in the HR arena for services and towards a more nuanced but flexible consideration. Further research could prove useful in considering the HR implications of these matrix combinations.

6.8 Summary

This chapter outlined the contribution of the research and the importance of holistic and sector specific research on HRM in the smaller firm context. Understanding has been advanced to create better insight into HR practice in the case study hotels, not least with respect to owner-manager dynamics, the influence of segment and the role of social media as a HR practice. Overall, this research charts a path to further and more integrated approaches to SME research. In particular the customer, as stakeholder, offers a revised perspective which has the potential to provide relevant input within a services context. As noted in section 2.2 above, the importance of the SME sector in employment and social terms makes this an endeavour worthy of further research efforts.

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Appendices

Appendix A

Table 7.1

European journal of vocational training – No 44 –Overview of Hotel Sector in Ireland (2010-2018)

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
No of Hotels	902	883	856	835	811	798	807*	824	827
No of Rooms		59377	57859	57362	56736	56240	57596	58425	59609
Room occupancy	59.7%	61.4%	63.8%	65.9%	67.8%	71.1%	74.0%	75.4%	75.1%
Average Room Rate	73.5	72.7	74.7	77.5	82.3	92.2	104.1	111.3	118.3
RevPAR	43.9	44.6	47.7	51.1	55.8	65.5	77.0	83.9	88.8

* source IHF

Comparison of Room Occupancy and Revenue between smaller and larger hotels (2010-2018)

Size 1-49 Rooms

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Room occupancy	52.6%	51.1%	55.7%	58.7%	61.0%	65.8%	67.1%	68.8%	69.3%
Average Room Rate	66.2	64.3	65.6	66.3	69.5	75.5	79.5	86.2	90.3
RevPAR	34.8	32.9	36.5	38.9	42.4	49.7	53.4	59.3	62.6

Size 50-99 Rooms

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Room occupancy	57.6%	61.0%	62.4%	64.7%	66.1%	69.6%	71.9%	73.0%	72.7%
Average Room Rate	67.0	65.4	71.3	75.4	79.8	90.9	103.1	109.5	115.2
RevPAR	38.6	39.9	44.5	48.8	52.8	63.2	74.1	79.9	83.7

Size 100+ Rooms

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Room occupancy	62.4%	64.4%	66.5%	68.6%	71.9%	74.8%	77.1%	78.3%	77.4%
Average Room Rate	77.7	77.2	79.5	81.8	88.1	100.2	109.7	117.3	124.5
RevPAR	48.5	49.7	52.9	56.1	63.3	75.0	84.6	91.8	96.3

% Diff (Small v Large)

Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Room occupancy	9.8%	13.3%	10.8%	9.9%	10.9%	9.0%	10.0%	9.5%	8.1%
Avg Room Rate (% diff)	0.17	0.20	0.21	0.23	0.27	0.33	0.38	0.36	0.38
RevPAR (% difference)	0.39	0.51	0.45	0.44	0.49	0.51	0.59	0.55	0.54

[Source; Data extracted from Crowe/Crowe Horwath Annual Ireland Hotel Surveys 2009-2019]

Appendix B.1

Hotel Selection Criteria

2014 Hotel listing from Bord Fáilte (as downloaded from BF website on Jan 2015) with 823 hotels – of which 33 eliminated as graded as Approved or 1 star.

Table 7.2: Hotel Breakdown by classification

Classification	Number of Registered Hotels
Approved/1 Star	33
2 star	121
3 star	351
4 star	283
5 star	35
Total	823

Hotel Classification	Registered Hotels (2 star & above)	Hotels with <=50 Bedrooms	Hotels not indicated as Group-Owned
2/3 star	472	394	370
4/5 star	318	92	87
Total	790	386	357

Notes:

Removing establishments with 51+ rooms brings potential list to 386 properties broken down as follows. The criterion of up to 49 rooms is broadly used within the tourism sector to define a small hotel (see Nolan and Garavan, 2020)

Further analysis of the listing removed 29 further establishments due to evident group ownership of the properties leaving a remaining list of 357 properties.

Appendix B.2

Interview Schedule for Managers

Indicative questions

Introduction/Background:

How long have you been working (managed/owned here) in the hotel?

Can you tell me a little about your own background?

Can you tell me a little background about the business?

Can you outline the structure of organisation?

What would you describe as the (current) business goals? Is there a clear company strategy overall?

Can you describe your own role in the business?

Is there a formal HR strategy/ strategy in place for how the hotel manages people ? Who makes key decisions in relation to HR?

Policies:

Does the hotel have policies in key areas of Recruitment & Selection (& Induction)?

How does the hotel recruit the majority of staff?

Do you get involved in some/all recruitment interviews? – involved in Induction?

Tell me a bit about the hotel's approach to Training and Development.

Is training available to all categories of staff? – How are training needs identified ?

Can you outline the approach to Reward ?

Employee voice –are unions recognised?

Training & Development, Reward, Employee voice/involvement? How are these policies given effect*?* Are these policies formal/written policies? Is there a staff handbook for example*?*

Do you have (current) job descriptions for roles within the hotel? Are job roles clearly defined?

How did HR policies/procedures come into existence?

Appendix B.2 (continued)

Product & labour market:

Can you explain a little about the type of market that the hotel operates in (e.g. competitive/restricted/regulated etc. and segment of market)?

What impact does legislation have on the HR practices adopted here?

Do you find that you can normally get appropriately qualified staff in the current labour market to fill vacancies that arise in the hotel?

How do you go about wage setting?

What key resources does the hotel have (e.g. finance/labour/expertise/family etc.) which may shape the way you approach people management?

Management & Culture:

How would you describe the culture of the hotel? How do you think employees would describe the culture of the hotel?

How would you describe your approach to managing employees?

How rigidly are policies implemented or is there scope for supervisory staff to adjust policies to suit individual situations as they feel appropriate?

Does the hotel benefit from networking opportunities with other hotels/professional associations or similar?

Do you personally take part in any networking organisations?

Success:

How would you define success in the context of this hotel?

Do you regularly measure performance? What performance measures do you use?

How critical is the customer in evaluating performance ? What type of metrics are used to assess how happy the customer is?

Does HR/the way you manage people enable you to achieve your desired objectives?

Where do you have the greatest challenges when it comes to people management?

In your opinion do any of the HR policies/work practices in place assist in achieving improved performance from employees? Can you give an example?

Does the hotel have a policy on internal promotions/recruiting from within*?*

Customer:

How would you describe the role of the customer in guiding the behaviour of employees?

How are employees expected to act in front of customers? How is this encouraged/reinforced? How might employees think or know that this type of behaviour is expected?

Do you think that emotions that are displayed to customers match what employees feel? Can you give an example? What challenges do you think employees find in meeting those requirements?

Autonomy/OCB:

How much autonomy would most staff have in performing their roles?

Is there evidence of staff going beyond their roles to perform extra-role actions to satisfy the customer/get the job done?

Are staff encouraged to go beyond their roles to help/satisfy a customer?

Are there any rewards in place for staff who demonstrate such behaviour?

As a manager, are you normally involved if there is a customer complaint or do members of staff resolve such issues without reference to management?

Do staff ever (regularly/occasionally/never) approach management with suggestions of how things might be improved?

Interview Schedule for Employees

Indicative questions

Introduction/Background

Tell me a little bit about your own background.

How long have you worked here? Where did you work previously?

What is your role here in the hotel and who do you report to?

Would you describe your job as busy/pressurised/relaxed? Do you enjoy it? Why/why not? Tell me a bit about the nature of your job and the work flow (peak, busy quiet).

What is the best part of your job? What is the aspect you look forward to least**?**

Appendix B.2 (continued)

Policies:

Can I ask you to describe how you came to work here in the hotel?

If there was an induction process when you started here, can you describe it for me? (If not, how did you learn about the hotel what it does and your role?)

Regarding training and development here in the hotel, what type of training did you receive (if any) when you first started? And in subsequent months or years can you describe what type of training would be typical for someone in your position in the hotel?

How does the need for employee training get identified? For example, would it be considered normal for you to go to your manager and request training in a particular area?

Would you describe training as a regular feature of everyone's role here in the hotel? (or is it unusual/very occasional for employees to have access to training?)

Is there a formal system of performance management in operation in the hotel? If yes, can you describe to me how this works? (If no, can you describe how you normally get feedback on your own performance?)

Do you have a regular (e.g. annual) performance appraisal session with your manager?

Can you tell me about the reward/pay systems here in the hotel?

What other benefits do you get from your employer (e.g. free/subsidised meals, uniform, use of hotel facilities) ?

Is there a recognition system for the employee of the month (or anything similar)?

Regarding the performance management system and the pay/reward system as we have discussed, are these systems the same for all categories of or do different categories of staff get treated differently?

Are there opportunities for you/other employees to get involved in decisions affecting the hotel? (How does this work?)

Are there other ways in which you can have your views heard on any issues that affect staff? (and can you give an example?)

Are there any unions operating in the hotel? (if yes, can you give me an example of how they operate?)

Do you feel that there are opportunities for internal promotion here in the hotel? Can you give me an example?

Is there a staff handbook available?

Do you have a job description for your current role within the hotel? Are job roles clearly defined? Is flexibility in roles a key feature of all jobs*?*

Who is the key person you deal with for HR matters? And does that person also have responsibility for developing and updating HR/work practices?

Over the time that you have worked here, have you seen any major changes in how the hotel is run or in the market that the hotel operates in?

Possible follow up question. What do you think has caused those changes?

In your opinion/experience are pay rates (and other benefits offered) in this hotel similar to other hotels that you know of/may have worked in?

Management and culture:

In terms of the hotel overall, how would you describe the general approach to managing employees here?

In terms of your own experience in the hotel how tightly supervised are you in doing your work here? And do you think that works well? Why?

Have you worked under different managers/supervisors here and if so does that change the way that you feel about working for this hotel?

In terms of work practices, would your manager/supervisor sometimes exercise his/her own discretion in terms of applying hotel policies (e.g. in terms of time off, flexibility in procedures etc.) for example if possible?

Would you have regular contact with the owner-manager here in the hotel?

Would there be any adjustment to how you carry out your duties or how your supervisor acts if the owner-manager was around? (example)

How would you describe the culture of the hotel? If relevant how different is this to the larger hotels you have worked in? Is there a culture of trust? Do employees work together as a team to get the job done? And do you see managers acting as part of the team?

Would you describe this hotel as a hotel that values its staff? What makes you think this is the case?

Success:

How would you define success in the context of this hotel?

In your opinion do any of the policies/work practices in place in the hotel assist in achieving improved employee performance? Can you give an example?

In your opinion are there any policies/practices which work against improved employee performance? (example)

In your own role, how would you assess how happy the customer is?

Would you be aware/made aware of any customer feedback that comes in? (example) How important do you think the customer's view is as a measure of performance?

Appendix B.2 (continued)

As far as you are aware is there a system in place for measuring the performance of particular areas within the hotel?

Customer:

How would you describe the role of the customer in guiding your actions/ behaviour? (Prompt - Is the customer king?)

Do you sometimes develop a social relationship with the customer (e.g. regular customers etc.)? possible follow up - Does that change the way you perform your duties? (and if so, how?)

Is there a policy on tipping?

Do you think that the policy on tipping changes the relationship between customers and employees (and/or between employees and management)?

How are you expected to act in front of customers ? How is this encouraged/reinforced (i.e. desired role behaviours)? What makes you think it is expected/required?

Can you give me an example of how you would deal with a difficult/irate customer?

Do the policies in place help you to deal with key challenges/difficulties with customers?

Do you think that emotions that you display to customers match what you really feel? Can you give an example?

Autonomy & OCB:

How much freedom/autonomy do you have in performing your role?

(Follow up) Do you think this level of autonomy makes you feel more or less committed to doing a good job ?

Can you think of an example of where you (or another member of staff) have gone beyond your role to help/satisfy a customer? Is this for the purpose of

(i) Improving reputation of hotel ?
(ii) Helping co-worker ?
(iii) Helping customer ?

Are there any rewards in place for staff who demonstrate such behaviour?

As an employee, are you normally involved in resolving a customer complaint or do you normally refer such a complaint to supervisory staff/management to resolve?

Do you ever (regularly/occasionally/never) approach management with suggestions of how things might be improved?

Closing:

What makes this a good place to work? And what makes it not so good?

Is there anything else that I haven't covered that might be useful in understanding how work practices operate in the hotel? / Or anything else that you would like to add?

Appendix B.3

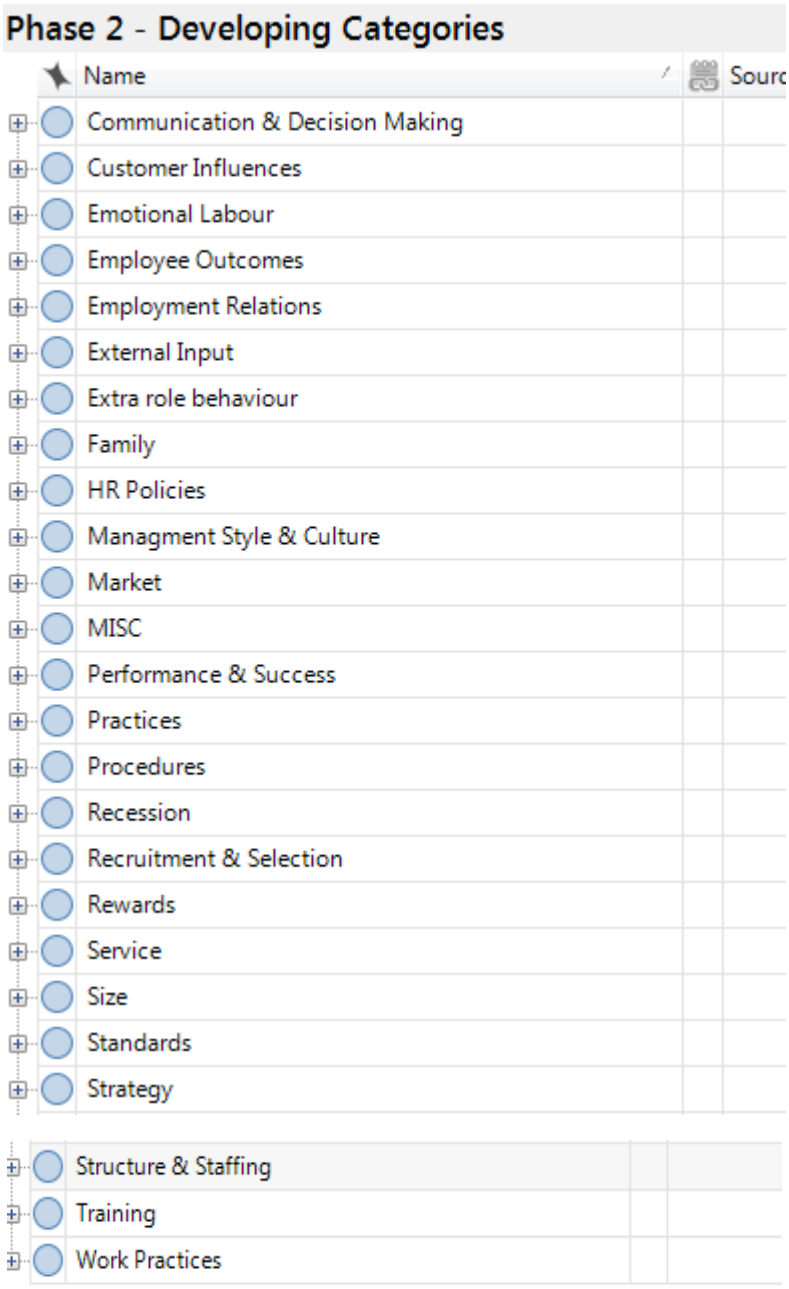
Table 7.3: Research interviews – Index

Tape Reference	Hotel	Position	Interview Reference	Designation
161116-0060/1	3starCity	Owner-Manager	3stC-01	Owner
161116-0062	3starCity	General Manager	3stC-02	General Manager
161116-0063	3starCity	Manager – Bar/Restaurant	3stC-03	Manager 2
161116-0064	3starCity	Manager - Accommodation	3stC-04	Manager 3
161117-0065	3starCity	Employee - Housekeeping	3stC-05	Employee 1
161117-0066-8	3starCity	Employee – Reception	3stC-06	Front-line employee 6
161117-0069	3starCity	Employee –	3stC-07	Employee 3 (back-of-house)
161117-0070	3starCity	Employee- Kitchen	3stC-08	Employee 4 (back-of-house
160222-0043	3starTown	Duty Manager	3stT-01	Duty Manager
160222-0044	3starTown	Employee Housekeeping	3stT-02	Employee 1 - Housekeeping
160222-0045	3starTown	Manager	3stT-03	Chef
160222-0051/2/4	3starTown	Owner-Manager	3stT-04	Owner
160222-0053	3starTown	Manager – Marketing	3stT-05	Manager 2
160222-0055/6/7	3starTown	Employee – Admin	3stT-06	Employee 4 Admin
160222-0058	3starTown	Employee Maintenance	3stT-07	Employee 2 – back-of-house
No ref	3starTown	Employee Housekeeping	3stT-08 Not taped	Employee 3 - Housekeeping
No ref	3starTown	Manager (family)	3stT-09 Not taped	Owner/family member 2
141124-0015/6 C	4starCountry	Owner-Manager	4stC-01	Manager (family)
301115-0017/9	4starCountry	General Manager	4stC-02	General Manager
160121-0023/6	4starCountry	Employee Food & Beverage	4stC-03	Employee 1 (Food & Beverage)
160121-0024	4starCountry	Employee Admin	4stC-04	Employee (back-of-house)
160121-0025	4starCountry	Employee Reception	4stC-05	Employee (front-of-house)
160123-0027	4starCountry	Manager	4stC-06	Manager (Banqueting)

160123-0040	4starCountry	Employee	4stC-07	Employee 2 – Food & Beverage
No ref	4starCountry	Owner-Manager	4stT-08 Not taped	Owner
140625-007	4starTown	Owner-Manager	4stT-01	Manager (family)
140715-0010	4starTown	General Manager	4stT-02	General Manager
140715-0011 C	4starTown	Food & Bev Manager	4stT-03	Manager- Food & Bev 1
141016-0012 C	4starTown	Supervisor Food & Beverage	4stT-04	Supervisor 2 – Food & Beverage.
141111-0013 C	4starTown	Employee Food & Beverage	4stT-05	Employee 1- Food & Beverage
141111-0014 C	4starTown	Employee	4stT-06	Employee 2 (front & back-of- house)
021215-0020	4starTown	Employee Reception	4stT-07	Employee 3 (reception)
160224-0028/9	5star	Accommodation/HR	5star- 01	Manager 1 Accomm/HR
160224-0030/3	5star	General Manager	5star- 02	General Manager
160202-0034	5star	Employee /Housekeeping	5star- 03	Employee 1 (backof-house)
160202-0035	5star	Employee – Reception	5star- 04	Employee 2
160202-0036	5star	Manager - reception	5star- 05	Manager 2
160202-0037	5star	Supervisor – Food & Beverage	5star- 06	Employee 3
160222-0038	5star	Manager Reservations	5star- 07	Manager 3
160222-0039	5star	Manager – Food & Beverage	5star- 08	Manager 4
160222-0041/2	5star	Employee Chef	5star- 09	Employee 4 (back-of-house)

Appendix C

Nvivo Software – Sample working documents



Appendix C (continued)

Sample sub-headings for Management Style & Culture

Managment Style & Culture	0	0
culture changed	1	3
Culture of long hours of work	8	14
Employer good or fair	11	18
GM Influence (+ve)	6	10
IT systems well-developed	4	6
Management influence on performance	8	12
Management structures & processes variable	4	10
Management style	25	64
Mgt style approachable	9	14
Networking as a recruitment source	5	10
Totalitarianism	1	1

Sample matrix report showing Nvivo codes for recruitment and selection for five case hotels

156 : Recruitment & Selection	4star Town	4star Country	5star	3star Town	3star City
157 : R & S - Interview as a selection tool	3	2	9	4	4
158 : R & S - Informal (or no) selection interview	1	0	0	0	0
159 : R & S - Interviews (2nd & 3rd)	1	0	1	1	0
161 : R & S - haphazard	0	1	0	0	0
162 : R & S - networking in evidence	8	13	5	0	0
163 : R & S - use of agencies	1	2	0	0	0
164 : R & S - advertising	5	4	5	2	6
165 : R & S - via consulting role	0	1	0	0	0
166 : R & S - importance of recruiting the right people	0	0	7	0	0
167 : R & S - using a person spec	0	0	2	0	0
168 : R & S - word of mouth	3	0	3	0	2
169 : R & S - evidence of family connections within staffing	0	0	0	2	0
170 : R & S - following work experience	1	0	0	1	0
172 : R & S - speculative CVs a feature	2	1	0	1	0
173 : R & S - Work trial	5	4	2	1	2

Appendix C (continued)

Sample matrix report showing Nvivo codes for performance and success for five case hotels

133 : Performance & Success	4star Town	4star Country	5star	3star Town	3star City
134 : Performance measured	7	0	1	0	0
135 : Business performance measures	0	0	0	4	0
136 : Performance not formally measured	0	7	0	3	3
137 : Success - awards	1	0	7	0	0
138 : Success - occupancy rates a measure	0	1	0	1	3
139 : Success - occupancy rates not a key metric	0	1	0	0	0
140 : Success - other	6	6	11	6	3
141 : Success - product or brand important	0	0	0	3	1
142 : product or brand could be stronger	0	0	0	0	1
143 : Success - repeat guests a measure	0	1	7	3	0
144 : Success - satifisfied customers	0	4	0	2	0
145 : Success - word of mouth important	0	1	0	0	0
146 : Success in performing role	0	0	1	0	0

Appendix D

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU

6th May 2015

Ms. Alison Sheridan
DCU Business School

REC Reference: **DCUREC/2015/078**

Proposal Title: A comparative exploration of HR Practices in operation in Hotels with different levels of service quality.

Applicant(s): **Ms. Alison Sheridan, Dr. Brian Harvey**

Dear Alison

Further to expedited review, the DCU Research Ethics Committee approves this research proposal.

Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further submission should be made to the REC.

Yours sincerely,

Dónal O'Mathúna

Dr Dónal O'Mathúna
Chairperson
DCU Research Ethics Committee

DCU
Research & Innovation

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Appendix E

Table 7.4: Overview of hotels with key characteristics of each hotel

	3starCity	3starTown	4starCountry	4starTown	5star
Nature of hotel	3 star family run small hotel	3 star family-run small hotel	4 star family-run small hotel	4 star family-run small hotel	5 star small hotel
Employees	40	60	65	85	70
Rooms	90	60	65	46	25
Location	located in large town/city	located in large town	located slightly outside the urban area of a large town	located in large town	located in a rural setting
Established	Long established premises further expanded in recent years	Long established premises	Relatively recently established and further expanded in 2010	Long established premises	Relatively recently established
Family involvement	2nd generation family involvement Owner-manager on site every day.	1st generation family involved (from a hotel background). Owner-manager on site every day.	1st generation family involvement. Owner-manager on site every day.	2nd generation family involvement. Owner-manager on site regularly but not based full-time in hotel	1st generation. Owner-manager on site only occasionally.
Markets served - value	Mid-value (standardised service)	Mid-value	Mid-high value group events	Mid-value	High value (Prestige)
Markets served - volume	Variable volume	Variable volume	Variable volume	Variable volume	Low volume
Market segment	Accommodation focus	Multi-segment (Corporate and functions – excluding hen/stag)	Wedding market	Multi-segment (Corporate and functions – excluding weddings)	Exclusive experience

Appendix F.1

Trip Advisor Ratings

Hotel	Overall Rating	No of Reviews
3starCity	4	1039
3starTown	4.5	514
4starCountry	4.5	693
4starTown	4.5	979
5star	5	366

(as at Jan 2019)

Appendix F.2

Comparison of Trip Advisor and Booking.com review ratings

	3starCity	3starTown	4starCountry	4starTown	5star
Overall Trip Advisor ratings (stars)	4.0	4.5	4.5	4.5	5
Overall Booking.com ratings	8.6	8.9	8.8	8.9	Not listed

(as at Jan 2019)

Appendix G

Trip Advisor Review Totals

	4starTown (281)		**4starCountry (206)**		**3starTown (144)**		**3starCity (238)**		**5star (115)**	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Dec	9	9	0	3	3	3	11	12	5	5
Nov	9	7	1	2	3	3	7	14	10	5
Oct	15	6	8	11	1	4	12	7	11	4
Sep	10	9	11	5	6	8	13	8	9	3
Aug	24	16	23	15	10	7	10	8	5	4
Jul	12	12	13	21	11	13	14	10	3	7
Jun	10	15	10	12	8	3	12	9	5	5
May	12	12	9	7	5	11	11	19	6	7
Apr	16	13	8	14	6	5	5	8	3	3
Mar	11	11	5	8	12	5	11	8	5	3
Feb	13	12	2	9	2	6	7	6	2	0
Jan	8	10	3	6	5	4	8	8	1	4