

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

AGNIESZKA GAWLIK,¹ MAJA ZAGÓRNA-GOPLAŃSKA²

Opole University of Technology, POLAND

¹ e-mail: a.los@po.opole.pl

² e-mail: m.zagorna-goplanska@po.opole.pl

RECEIVED

5 January 2016

ACCEPTED

1 March 2016

JEL

CLASSIFICATION

E24, J24, L83

KEYWORDS

hotel enterprises, Opole Province, HRM, HRM functions, micro, small company

ABSTRACT

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

Introduction

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

and unique assets (Becker, 1993; Schultz, 1971; Wright et al., 2001, pp. 701–721; Youndt et al., 1996, pp. 836–866; Rastogi, 2000, pp. 193–203; Zagórna-Goplańska, 2012, pp. 5–6; Puciato, Łoś, 2010). Creating favourable conditions for the development of potential human skills, and creating valuable and unique teams of workers as a result, falls within the scope of human resource management (HRM) functions of each and every company.

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

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

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

Results

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

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

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

In the survey, the owners and managers of the hotels were asked to specify business solutions applied within the HRM functions. In the vast majority of the surveyed entities (88%) the HR department was not distinguished within the organisational structure. Only two of the surveyed hotels had such a department (Table 1). It should be noted that distinguishing this department in the analysed group is connected neither with the legal and organizational form of an enterprise (in the group there were: a cooperative and a registered partnership), nor the size of company (micro and small company), nor the size of employment (9 and 22 employees respectively). The respondents asked why the HR department had not been created in their hotel replied: 'there is no need to create it', 'we have been functioning without it for a long period of time and we think it is unnecessary', 'the current

solution is entirely satisfying', 'a separate HR department (...) means the necessity to create further work posts and (financial) burden for the company'. The respondents also stated as their reason the fact that creating the HR department was unjustified due to a low number of employees (in case of microenterprises but also for the hotel employing 40 people).

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

Characteristics	HRM functions in surveyed hotels		
	specification	number	percentage
Responsibility of the HRM function	Manager/Supervisor	7	44.00
	Owner	7	44.00
	HR/Personnel Department	2	12.00
HRM functions outsourced	Outsourcing of trainings	6	38.00
	Outsourcing of wages	2	12.00
	No outsourcing	10	62.00
Diagnosing staffing needs	No	9	56.00
	Only in high season	6	38.00
	Yes	1	6.00
	Participation in management	1	2.00
Personnel improvement plans	Training for waiters/barista/receptionists	6	38.00
	Safety and first aid trainings	6	38.00
	Training for managers	1	6.00
	Language courses	1	6.00
Responsibility for creating staffing plans	No training plans	3	19.00
	Manager/Supervisor	10	63.00
	Owner	4	25.00
	HR/Personnel Department	1	6.00
Total	No staffing plans	1	6.00
		16	100.00

Source: Authors' own studies.

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

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

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

such forecasts mainly by the fact that 'the activity of the company is mostly based on permanent employees' whose 'rotation outside the season is modest'.

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

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

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

Conclusions

The analysis of research results showed that the HRM functions in hotel enterprises located in Opole Province is performed to an extremely limited degree. Only its certain selected elements (mainly short-term) were applied in the most of the analysed entities. Results of our study indicated a strong centralization of decision-making competencies as well. In large part this is due to the unique characteristics of these enterprises that include the concentrated ownership, proximity to external environmental forces, close relations between management and employees, and a large degree of informal practice (Wisniewski, 2013, pp. 121–122; Sekuła, 2013, p. 9). According to our study, the scope of the HRM functions in surveyed hotel enterprises includes often only those tasks that are indicated in the labor law (time charges, remuneration, etc.). Other authors findings (Behrends, 2007; Kitching, 2007; Wilkinson et al., 2007) support this view. The actual financial cost of introducing sophisticated professional HRM practices and their pragmatic viability in case of micro and small hotel enterprises may be disincentive for owners and managers. Moreover, the difficult conditions in which these enterprises need to operate, make long-term HR planning extremely difficult and manifest in searching for cost savings within employment or trainings. In contrast, some evidence shows that HR practices in smaller firms may be more sophisticated than previously expected (Golhar, Deshpande, 1997) and do not differ significantly from large firms (Bacon et al, 1996). Some argue that small businesses are in many ways the ideal site for the development of HRM because of the direct communication,

flatter hierarchy, greater flexibility and clearer impact of each employee on organizational performance (Sels et al., 2006). This may be the sign that tourist managers have insufficient knowledge of how to formulate a good HR strategy and enough time for it as they are focused on the day-to-day business. Therefore, this could be an incentive to pay more attention to hospitality networks and forums where owners and managers could reflect about current HR practices and get customized advices or tools (Garavan, ÓCinnéide, 1994).

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

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

References

- Bacon, N. & Hoque, K. (2005). HRM in the SME sector: valuable employees and coercive networks. *International Journal of Human Resource Management*, 16 (11), 1976–1999.
- Becker, G.S. (1993). *Human capital: a theoretical and empirical analysis, with special reference to education*, Chicago: The University of Chicago Press.
- Behrends, T. (2007). Recruitment Practices in Small and Medium Sized Enterprises, *Management Revue*, 18 (1), 55–74.
- Borkowski, S. & Wszendybył, E. (2007). *Jakość i efektywność usług hotelarskich*, Warszawa: Wydawnictwo Naukowe PWN.
- Bukowska, U. (2013). Jakość funkcji personalnej w mikroprzedsiębiorstwach. In: Z. Wiśniewski (ed.), *Zarządzanie zasobami ludzkimi w małych i średnich przedsiębiorstwach*. Warszawa: Oficyna Wolters Kluwer.
- Ceylan, C. (2012). Commitment-based HR practices, different types of innovation activities and firm innovation performance. *The International Journal of Human Resource Management*, 24 (1), 208–226.
- De Spiegelaere, S., Van Gyes, G., De Witte, H., Niesen, W. & Van Hootegem, G. (2014). On the Relation of Job Insecurity, Job Autonomy, Innovative Work Behaviour and the Mediating Effect of Work Engagement. *Creativity and Innovation Management*, 23 (3), 318–330.
- De Winne, S. & Sels, L. (2010). Interrelationships between human capital, HRM and innovation in Belgian start-ups aiming at an innovation strategy. *International Journal of Human Resource Management*, 21 (11), 1863–1883.
- Faulkner, B. & Patiar, A. (1997). Workplace induced stress among operational staff in the hotel industry. *International Journal of Hospitality Management*, 16 (1), 99–117.
- Garavan, T.N. & ÓCinnéide, B. (1994). Entrepreneurship Education and Training Programmes: A Review and Evaluation. *Journal of European Industrial Training*, 18 (11), 13–21.
- Golhar, D.Y. & Deshpande, S.P. (1997). HRM Practices of Large and Small Canadian Manufacturing Firms. *Journal of Small Business Management*, 35 (3), 30–38.
- Golnau, W., Kalinowski, M. & Litwin, J. (2007). *Zarządzanie zasobami ludzkimi*. Warszawa: CeDeWu.

- Jiang, J.W., Wang, S.O. & Zhao, S.M. (2012). Does HRM facilitate employee creativity and organizational innovation? A study of Chinese firms. *International Journal of Human Resource Management*, 23 (19), 4025–4047.
- Kitching, J. (2007). Regulating Employment Relations through Workplace Learning: A Study of Small Employers. *Human Resource Management Journal*, 17 (1), 42–57.
- Lipowska, J. (2012). Determinanty motywacji wewnętrznej. Czy można zmotywować każdego pracownika? *Zarządzanie Zasobami Ludzkimi*, 3–4.
- Listwan, T. (ed.) (2010). *Zarządzanie kadrami*. Warszawa: Wydawnictwo C.H. Beck.
- Ludwiczyski, A. & Król, H. (2006). *Zarządzanie zasobami ludzkimi. Tworzenie kapitału ludzkiego organizacji*. Warszawa: Wydawnictwo Naukowe PWN.
- Łoś, A. (2014). Pomiar efektywności działalności gospodarczej w turystyce. *Ekonomika i Organizacja Przedsiębiorstwa*, 1 (768), 30–39.
- Marlow, S. & Patton, D. (1993). Managing the employment relationship in the small firm: Possibilities for human resource management. *International Small Business Journal*, 11 (4), 57–64.
- McEvoy, G.M. (1984). Small business personnel practices. *Journal of Small Business Management*, 22 (4), 1–8.
- Nadiri, H. & Tanova, C. (2010). An investigation of the role of justice in turnover intentions, job satisfactions and organizational citizenship behaviour in hospitality industry. *International Journal of Hospitality Management*, 29 (1), 33–41.
- Puciato, D., Goranczewski, B. & Łoś, A. (2012). Innowacje w biurach podróży. *Ekonomika i Organizacja Przedsiębiorstwa*, 7 (738), 15–23.
- Puciato, D. & Łoś, A. (2010). Globalny kryzys finansowy końca pierwszej dekady XXI wieku a rynek usług turystycznych w Polsce. *Zeszyty Naukowe Wyższej Szkoły Handlu i Usług w Poznaniu*, 19, 105–115.
- Rastogi, P.N. (2000). Sustaining enterprise competitiveness – is human capital the answer? *Human Systems Management*, 19, 193–203.
- Ratajczyk, M. (2014). Personel – wciąż za mało doceniany czynnik. Rynek hotelarski w Polsce – Raport.
- Schmelter, R., Mauer, R., Börsch, C. & Brettel, M. (2010). Boosting corporate entrepreneurship through HRM practices: Evidence from German SMEs. *Human Resource Management*, 49 (4), 715–741.
- Schultz, T.W. (1971). *Investments in human capital*. New York: Macmillan.
- Sekula, Z. (2013). Analiza funkcji personalnych w małej firmie na przykładzie badań. In: Z. Wiśniewski (ed.), *Zarządzanie zasobami ludzkimi w małych i średnich przedsiębiorstwach*. Warszawa: Oficyna Wolters Kluwer.
- Sels, L., De Winne, S., Delmotte, J., Maes, J., Faems, D. & Forrier, A. (2006). Linking HRM and small business performance: An examination of the impact of HRM intensity on the productivity and financial performance of small businesses. *Small Business Economics*, 26 (1), 83–101.
- Tokarz, A. (2008). *Zarządzanie zasobami ludzkimi w sektorze turystycznym*. Warszawa: Difin.
- Wilkinson, A., Dundon, T. & Grugulis, I. (2007). Information but Not Consultation: Exploring Employee Involvement in SMEs. *International Journal of Human Resource Management*, 18 (7), 1279–1297.
- Wright, P.M., Dunford, B.B. & Snell, S.A. (2001). Human resources and the resource-based view of the firm. *Journal of Management*, 27, 701–721.
- Youndt, M.A., Snell, S.A., Dean, J.W. & Lepak, D.P. (1996). Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal*, 39, 836–866.
- Zagórna-Goplańska, M. (2012). *Kapitał ludzki w procesie restrukturyzacji zatrudnienia*, Studia i Monografie Politechniki Opolskiej. Opole: Oficyna Wydawnicza Politechniki Opolskiej.
- Zheng, C., O'Neill, G. & Morrison, M. (2009). Enhancing Chinese SME performance through innovative HR practices. *Personnel Review*, 38 (1–2), 175–194.

Cite this article as: Gawlik, A., Zagórna-Goplańska, M. (2016). The HRM functions in micro and small hotel enterprises in Opole Province. *European Journal of Service Management*, 17 (1), 21–26. DOI: 10.18276/ejsm.2016.17/1-03.