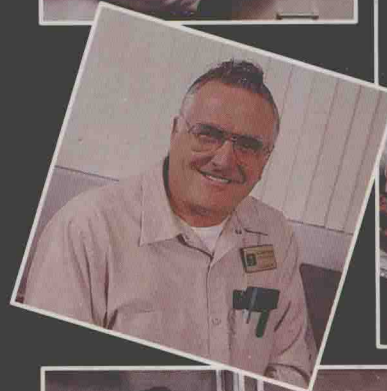
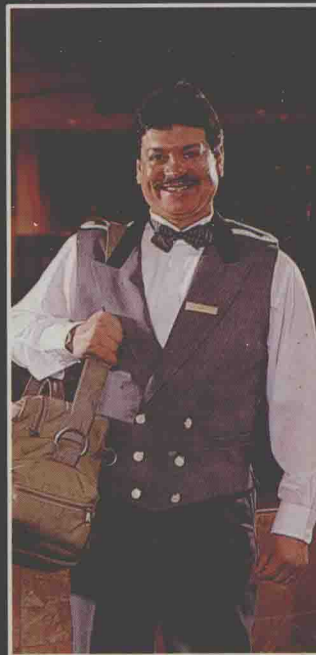


MANAGING HOSPITALITY HUMAN RESOURCES

Robert H. Woods



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Robert H. Woods, Ph.D., CHRE



EDUCATIONAL INSTITUTE
of the American Hotel & Motel Association

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Preface

There was a time in the history of the hospitality industry when managing human resources was relatively simple. Back then, we could pick and choose the employees we wanted for our lodging or food service operations. More than likely, the employees we chose would stay with us for many years. Those were simpler times. Hospitality managers could operate their businesses in almost any way they desired.

Times have changed. In the past few decades, several factors have combined to transform the way we must manage our people. Because of this, today's hospitality managers must be attuned to the many internal and external influences that dictate how we do business.

Managing Hospitality Human Resources addresses the effects of these rapid changes in human resources management. My intent as an author is to present sound, easy-to-understand guidelines for industry managers, supervisors, and executives in the area of human resources management. Within these pages, I have strived to clearly outline the choices available to hospitality managers and to provide guidance on which options may work best in particular situations.

Managing Hospitality Human Resources is divided into four major parts packaged between two "bookend" sections. These short sections introduce and reinforce issues covered in the 14 chapters. Our first "bookend" is devoted to a series of interviews with leaders from several hospitality companies. These interviews focus on the challenges facing today's hospitality human resources professional. The second "bookend" concentrates on issues facing industry leaders around the globe. Again, this section consists of personal interviews with industry leaders and experts.

The chapters between these "bookends" deal with human resources issues that can determine a hospitality manager's success. Part I examines employment laws, planning, and staffing. This section includes a comprehensive overview of the various laws affecting the management of hospitality human resources. Readers will find a thorough description of the Americans with Disabilities Act and practical guidelines for complying with this new legislation. Issues such as job analysis and design, selection, and human resources planning and recruiting are also thoroughly covered.

Part II details useful information on human resources development activities such as orientation, socialization, training, and evaluating employee performance. Readers will discover concrete recommendations for these important functions, and become acquainted with various approaches to motivating and evaluating employee performance.

Part III focuses on compensation and labor issues. These chapters examine alternative methods of planning, developing, and implementing compensation and benefits programs, as well as the legal ramifications of compensation and benefits legislation. Labor relations and collective bargaining are explored in two chapters.

Part IV considers safety, discipline, and ethical concerns of the hospitality workplace. Readers will find in-depth coverage of health and safety issues, employee assistance programs, turnover, employee discipline, and organizational exits. Our final chapter examines some of the complex ethical and social responsibility questions facing the modern hospitality manager.

Finally, two appendixes and a glossary complement these 14 chapters. Each chapter includes discussion questions, key terms, and a case study as useful devices for reinforcing and applying the concepts in the text.

Managing Hospitality Human Resources can provide conscientious professionals and students with the basic knowledge they need to manage people effectively. However, this book would not have become a book or a management tool without the help of many people. More than 50 industry leaders and experts augmented and reinforced the book's content through insightful interviews. These interviews appear in boxed form throughout the text, and provide the reader with information "from the firing line" on how to best manage people.

The professional staff of the Educational Institute of the American Hotel & Motel Association were also instrumental in developing what appears on these pages. The book would be considerably less worthwhile without the tremendous help of these wonderful people. A special thanks is due to my editor at the Institute, **Ann M. Halm**, who spent so many hours over the last eight months bringing this project to fruition. Ann consistently provided clean editing, cheerful comments, and a positive attitude—each of which greatly influenced the book. Those who have undertaken a project such as writing a book will realize how very important these attributes are. I would also like to thank two more people on the Institute's staff: **Marj Harless**, for editing two chapters, and **George Glazer**, for having the faith to accept this project and for providing his guidance over the last year. Finally, I thank my wife, Jan Woods, and my three daughters, Kate, Jessica, and Colleen. Each has been patient and supportive of me throughout this project.

Robert H. Woods, Ph.D., CHRE
East Lansing, Michigan

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The Educational Institute would like to thank the following industry professionals for contributing the interviews that appear throughout this text. Their invaluable insights provide a unique opportunity for our readers to view the world of hospitality human resources from the inside.

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Robert H. Woods, Ph.D., CHRE, is an Assistant Professor in the School of Hotel, Restaurant and Institutional Management at Michigan State University. Dr. Woods received his master's and doctorate degrees from the School of Hotel Administration at Cornell University. He holds a Certified Human Resources Executive designation from AH&MA's Educational Institute. Dr. Woods has extensive practical experience in the hospitality industry. He has been a multi-unit owner, operator, and consultant. He is a specialist in human resources and service management, and has consulted with major hospitality organizations on issues such as corporate cultures, human resources, and service excellence. Dr. Woods has published more than 25 articles in leading hospitality journals, authored a chapter in the Educational Institute's *Ethics in Hospitality Management: A Book of Readings*, and serves on the Editorial Review Boards of three highly respected hospitality educational publications. He is currently writing a textbook on strategic management and planning, to be published by the Educational Institute of AH&MA.

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Introduction: Understanding the Issues

The world of human resources is changing in ways it has never changed before. More than ever, hospitality managers, supervisors, executives, and students must understand and stay informed of complex issues from around the globe.

Changing values, shifting demographics, evolving legislation, and a growing emphasis on social responsibility are among the many forces shaping the way we manage people today. To help us introduce these and other topics in our text, we invited a panel of hospitality leaders to share their experiences. Each contributor brings to these pages a wealth of experience in managing people. And together, the members of our panel represent a range of hospitality segments—from hotels to clubs to commercial and non-commercial food services.

Through personal interviews, each panelist discusses how his or her company is responding to the changing landscape and challenges of human resources management. Many of these challenges are common to the entire industry, while others may only be important to one segment. Still other challenges may be unique to a particular business, market, or region. What these interviews reveal is that issues facing the industry are frequently as diverse as the industry itself.



Carol Alverson, CHA, believes in the importance of developing and communicating philosophies for a changing work force. Alverson is the Director of Human Resources Management and Administration, Best Western International Inc., Phoenix, Arizona.

The successful human resources department of today and tomorrow will speak the language of service, support, and information rather than strictly policies, procedures, and compliance.

At Best Western International, we base our human resources departments on four principles or core philosophies. To be effective, we feel human resources departments should be focused, fast, flexible, and friendly.

In terms of focus, a human resources department needs to know and understand its mission. That mission should be communicated to all levels of staff, and should complement the larger mission of the property. Human resources departments are basically a property's business partner. Their mission should be geared toward supporting the organization as a whole.

Today's human resources departments should be fast; they should be able to deliver their services quickly and with minimal problems. We need to invest in the technologies and tools that will enable our staff to efficiently do their jobs. We must also train people in the technical skills they need to work in today's global business environment. More than ever, success hinges on staying technologically up-to-date.

The third principle—flexibility—applies to more than simply the structure of the department; it applies to the way the department—and the property as a whole—responds to employees. Just because a property has always done a specific job a specific way doesn't mean that the policy or procedure cannot change. We must be flexible to new ideas, new ways of doing things, and to the changing needs of our employees.

Finally, we feel that human resources departments must contribute to a friendly work environment within an organization. At Best Western, we encourage our human resources professionals to be accessible and visible to all staff. Human resources departments should be areas management and employees can rely on to solve problems, hear suggestions, and represent their needs. That type of openness can contribute to a harmonious and supportive atmosphere at work.

Many of our human resources professionals have applied these four principles at their properties by offering such options as flexible schedules, cafeteria benefit plans, and innovative incentive programs. The organization that provides employees with options will generally find that employees stay with them longer and are motivated to excel!

More and more, I hear employees saying that the biggest issue in their lives is time. Flexible schedules, creative benefit plans, assistance with child or elder care, job training, and other indirect forms of compensation tell employees that the property understands the difficulties of juggling personal and professional lives. In the long run, an organization benefits by adapting to the changing needs of the workforce. By accommodating diversity, properties will attract, retain, and develop the quality staff and services that keep guests coming back—and improve their bottom-line.



*Many people fail to see the challenges and opportunities of hospitality careers. **Patrick Breen, CHA**, tells us about a motivational program that recognizes the heart and soul of service. Breen is the Director, Ramada Management Institute, Ramada Franchise Systems, Inc., Parsippany, New Jersey.*

All of us within the Ramada Franchise System work very hard to reshape the perception that service jobs are nothing more than assembly line positions. We developed a program that gives managers and supervisors the direction they need to change the perceptions of their staff. It's called YSS—or You're Somebody Special!

The YSS program recognizes employees as the heart and soul of the hospitality industry. It also sees guest service as the number one factor that sets one property apart from the next. At Ramada, we operate from the premise that if we treat our franchise employees as special people, they will turn around and treat our guests as special people. And that's the type of service that makes guests want to come back to our properties, and that adds to our bottom-line.

You're Somebody Special equips managers and supervisors with the skills they need to motivate and train their employees in the guest service area. To meet the YSS challenge, managers must give employees the knowledge and skills they need to do their jobs well. Through YSS, managers learn to recognize and reward employee efforts as major contributions to a hotel's day-to-day success.

In a nutshell, YSS is a systematic and thorough training process for selecting, training, and retaining exceptional employees. The program is based on four basic principles—or keys. First, select the best employees for each position. Second, train them well. Third, treat employees as valuable resources and partners in your business. And fourth, recognize their positive contributions.

Ramada has enjoyed the successes of YSS since 1987. Since then, we've seen guest complaints about service drop about 25%. Conversely, guest compliments about guest service rose nearly 500%! We've also seen employee turnover decrease. Employees stay with us longer because we treat them differently. We train them for meaningful positions—not just jobs. And we recognize them for their positive contributions. The program also helps unify employees behind the common goal of guest service—which helps to boost morale, inspire teamwork, and heighten self-esteem.

Managers enjoy the benefits, too. Since YSS is also an incentive program, we award prizes to properties that achieve specific results. But overall, a manager's incentive comes through recognition. Although prizes are great, we've found that our managers enjoy competing with and learning about other Ramada properties. We communicate the achievements and successes of individual YSS programs to both line-level employees and managers through our newsletter, *Frontlines*.

You're Somebody Special is simply one part of Ramada's larger training picture. The Ramada Management Institute also provides an ongoing series of field-based regional workshops coordinated through our Ramada Management Associations. These associations (34 within the United States) are made up of Ramada owners and general managers. Properties meet monthly to work together to sponsor marketing programs, advertising campaigns, and training seminars that benefit all members.

The Institute also broadcasts workshops via teleconference to frontline employees. We provide training and support on Roomfinder—our central reservation system—through workshops and classes. And we have a training library with a host of practical books, manuals, guides, and videotapes that can be easily accessed by our properties.

Training and motivation are very important to the Ramada family. You're Somebody Special is not just a statement or a program—it's a philosophy that permeates our franchise. By providing employees with the skills and knowledge they need—and by treating them as valuable members of our organization—we've been able to attract and retain a team that we're extremely proud of.



All segments of the hospitality industry share the challenge of a changing work force. Ed Evans offers his perspective on how that challenge affects non-commercial food and beverage services. Evans is the Vice President, Human Resources, Business Services Group, ARA Services, Philadelphia, Pennsylvania.

Non-commercial food and beverage operations share a common challenge with their commercial counterparts and with the hospitality industry in general. That challenge comes in the form of a primary work force that is very different from 30, 20, or even 10 years ago.

By primary work force, I mean the pool from which food and beverage has typically drawn the bulk of its employees—people ages 16 to 25. In contrast to the generations before them, this group has become much more focused on their own wants and needs, and fulfilling those wants and needs instantly. People in their teens and early twenties definitely have different attitudes toward work and what it offers them. While concerned with pay, these people are more concerned with working in a job that is satisfying, which recognizes their achievements, and provides them with opportunities to grow.

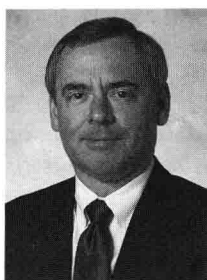
Our segment of non-commercial food and beverage service has a competitive advantage over other hospitality segments in attracting these workers: our days and hours of operation. Food and beverage operations managed by the Business Services Group of ARA include Fortune 500 Headquarters and regional office executive dining rooms, cafeteria and catering operations, correctional facilities, manufacturing plants, and vending machines in public and private facilities. Many of our client companies are Monday-through-Friday food and beverage service operations that primarily serve breakfast and lunch. That leaves weekends and holidays open for a generation of employees who value what they do away from work as much as they do their jobs.

In educating the next generation of hospitality industry managers, I'd recommend that our colleges and universities focus on what it means to lead people. We should teach future managers such basics as how to determine what specific skills and outcomes are needed in a specific position, how to recruit and select the right person for that position, and how to train someone for that job. We also need to teach managers the best ways to retain employees. What are effective motivators? What compensation, incentive, or scheduling systems work best for a particular employee group in a particular setting? Future and current managers must also be savvy in the complex and ever-changing legal and legislative environments affecting human resources practices.

Finally, our future managers must learn to understand and value the diverse group of people they will supervise. Workers in today's hospitality industry come from a variety of cultures, socio-economic backgrounds, and age groups. Each and every manager must be sensitive to social, economic, and educational problems that confront our work force—one of the biggest being literacy.

Human resources professionals and hospitality managers alike face tremendous challenges that are unlike any to date. A very important component of a hospitality education comes from "living the industry"—or the workplace practicum. Aspiring managers need to work a variety of jobs in a variety of settings as an integral part of their education. To me, walking in a pair of shoes is the best way to find out how those shoes feel, and how to make them fit better.

I believe that the only thing that can provide a service company a sustainable competitive advantage is people. Programs and products are only a competitive advantage as long as they are not offered in the same or better way by someone else. Our managers can not afford double-, sometimes triple-digit turnover. Legendary service is a product of people—people who are well-selected, well-trained, well-motivated, and well-retained. Nothing more, nothing less.



*Evolving legislation and health care are two serious issues confronting human resources professionals. **Roger Green, CHA**, discusses specifics of legislation and health care that will affect the way hospitality does business in the 1990s. Green is the Senior Vice President of Human Resources, **Stouffer Hotel Company**, Solon, Ohio.*

Labor shortages, literacy, and multi-culturalism are among the issues that human resources professionals face on a daily basis. Although important, these issues are unlike two "larger-than-life" issues that require immediate and unbridled attention. More than ever, human resources professionals must understand and contend with legislative and health care concerns—primarily because of the severe effect each can have on our bottom-line.

The Civil Rights Act of 1991 and the Americans with Disabilities Act are two of the most recent and extensive pieces of federal legislation that affect the work of every human resources professional. The passage of each new law requires a comprehensive review of the employment process from the human resources side of the business.

As an example, the passage of the ADA necessitated a top to bottom overhaul of all the job descriptions at Stouffer Hotels and Resorts—plus extensive training programs to prepare our management for Title I of this act, implemented on July 26, 1992. We established a task force of management from every functional area of the business to analyze the impact of the two major titles of this act: I and III. These titles affect accessibility and employment in our hotels.

In January 1992, just before the implementation of Title III of the ADA, we received a courtesy audit from the American Cerebral Palsy Association at our Stouffer Mayflower Hotel in Washington, D.C. They brought five disabled people to our hotel to assess our accessibility and compliance with this new legislation. We were proud to have passed their multi-page audit of our facility with an A+ rating, and are confident we have universal compliance at all our hotels nationwide.

The ADA, however, is just one legislative issue. State and federal legislation is continually evolving in the human resources arena. A lot of the time, it's near impossible to stay abreast of everything that's coming out of Congress. More than ever, human resources professionals need to follow current events, trends, case trials, and, when necessary, the advice of legal counsel to comply with the plethora of complex legislation. The second issue that we have to be especially concerned with is the runaway cost of health care in the United States. Some medical associations and analysts predict the near collapse of our health care system if costs are not contained in the next several years.

At Stouffer Hotel Company, we're constantly evaluating and re-evaluating the most cost-effective way to provide quality health care benefits for our employees. Beginning in 1993, we will be offering our employees a variety of health care options through managed care networks, preferred provider organizations, and health maintenance organizations nationwide. We anticipate that these options, coupled with a creative pricing structure, will maintain quality, yet contain the pace with which the costs of health care are rising.

Stouffer Hotel Company takes health care and legislative issues very seriously. In some respects, we view other issues such as labor shortages or multi-culturalism as the natural course of doing business in the 1990s. Health care and legislative issues, however, can dramatically affect our

ability to stay in business, due to the substantial impact they can have on the cost of doing business.



David M. Lloyd feels that “the basics” of hospitality are extremely important, and are the key to success, in service, training, and education. Lloyd is the Vice President, Human Resources and Administration, Nikko Hotels International, New York, New York.

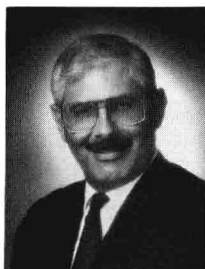
My personal feeling is that if you can create a situation where the basics are done very well by everybody, you will have a very powerful organization—and be light years ahead of your competition. But in order to do that, you need to clearly communicate the basics of hospitality to your people—particularly to your managers. For managers, those basics include interpersonal skills such as knowing how to coach, counsel, discipline, lead, and train employees.

At Nikko, I call this focus on basics the “bread-making approach” to training and education. If I give you flour, water, salt and yeast, and I provide you with clear instructions and an oven, chances are you’ll be able to make a fairly palatable loaf of bread. After you’ve made a loaf a few times, you’ll start to feel more and more comfortable with the process. You’ll start looking at the ingredients and wondering what happens if you adjust the amount of flour or water or salt just a little bit. That’s when you start to grow as a breadmaker. You begin to alter and improve the recipe because you have a foundation to build on. In other words, you know the basics.

The same logic applies to managing people. If I teach an employee the basics of how to delegate, coach and counsel, teach jobs, and do a performance appraisal—and then allow that employee to do each task a number of times—that employee can start to “alter the recipe” and develop a management style that works for him or her and for the company.

Nikko is presently developing several training programs to strengthen the skills of its managers. These programs will basically focus on training managers to be better people-persons. These programs will also assess an individual’s suitability and preferences for particular management tasks. In that sense, these programs will serve as a selection tool for promoting from within.

From a human resources perspective, success in hospitality management boils down to knowing how to manage people. No matter what your technical skills or intellect are, you’re not going to make it as a hospitality manager if you can’t relate to people. The world has become so much more diverse and involves so many more different types of people. People who can manage people from a variety of backgrounds have a valuable skill and are in high demand in today’s hospitality industry.



More and more hospitality companies today are discovering they need to cater to the needs of their employees as well as their guests. Richard E. Rivera discusses why food service operations today should become “employers of choice” for their particular labor market. Rivera is the President and Chief Executive Officer, TGI Friday’s, Dallas, Texas.

At TGI Friday’s, we believe that if you want to be regarded as the “restaurant of choice” by your market base, you should be regarded as the “employer of choice” by your labor pool.