The Contemporary Hotel Industry
A People Management Perspective

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Palgrave Advances in Managing and Marketing Tourism, Hospitality, and Events

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Tourism is one of the largest, most diversified, complex, global but also most dynamic, continuously evolving, and resilient industries. Additionally, it is an important social and business practice affecting - but also being affected by - all aspects of human life and societies. In this context, this series brings together multidisciplinary research examining the continuous evolution, transformation, and contemporary practice of tourism as a business phenomenon. It places particular emphasis on how the various forces and factors from multi-disciplinary areas, such as politics, economics, and psychology, affect the various elements of the tourism ecosystem including tourism demand, tourism suppliers, and the various tourism stakeholders. A unique platform for understanding the evolution of tourism, hospitality and events, books in the series will examine and illustrate the actors and factors that are driving change within the industry as well as the processes and the outcomes of such transformational efforts. In this vein, the purpose of the series is to publish work that can help tourism researchers, scholars, professionals and policy makers alike stay updated about contemporary and emerging issues. Going beyond that, the series aims to empower readers to envision and shape the trends, challenges and transformations in the industry.

Ultimately, this series equips its readers with the knowledge and the capacity needed to re-imagine and lead tourism and hospitality futures within their professional and/or scholarly sphere.

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Preface

This book aims to provide a detailed account of the global hotel industry, focusing on managerial work and people management. The authors (Babis and Lia) are proud ASTER alumni, a Swiss-type Hotel School in Rhodes (Greece). Babis spent two decades as a senior manager in luxury hospitality establishments before he joined academia, and Lia decided to pursue an academic career after having worked in the hospitality and tourism industry. Both authors are experienced academics and maintain excellent professional networks in the local and international hospitality industry. It is not surprising, therefore, that they have both researched this topic extensively in the past 15 years.

The book explores the different aspects of managerial work in global hotel industry settings: general management, leadership, skills and competencies, education and training, and managing diversity. Based on the existing literature and the authors' previous research, the book suggests that senior managers (i.e., General Managers and Heads of Department) should adopt a people-centric management and leadership style while at the same time maintaining operational efficiency.

Understanding the managers' work from a people management perspective is critical for successful hotel operations; nevertheless, this area is under-researched. Similarly, diversity and inclusion are areas of people management to be critically explored in the hospitality industry context. Diversity management strategies should be further developed to be

practiced in contemporary hospitality organisations. This book is unique in scale and depth; it is expected to provide valuable insights from both theoretical and practical perspectives.

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About the Author

Charalampos Giousmpasoglou is a principal academic at Bournemouth University (ranked in the Top 20 Universities globally for Hospitality and Tourism), UK. Babis has worked both in academia and in the industry; as a practitioner, he spent 20 years as a hotel manager in Greek luxury hospitality establishments. As an academic, he worked in Greece, Bahrain, and the UK in undergraduate and postgraduate hospitality and business administration-related programmes. His research interests focus on managerial work, hospitality management, and human resources management. On these research themes, he has written three books, book chapters, and journal articles and presented papers to several international conferences. Babis is a Senior Fellow member of the Higher Education Academy, UK; Academic Fellow in Chartered Institute of Personnel and Development (CIPD); and an Institute of Hospitality Member (MIH). He is also a member of the Global Hospitality Research Alliance (GHRA), among other professional groups. Babis is a reviewer and editorial board member in reputable academic journals such as the *International Journal of Contemporary Hospitality Management* and the *International Journal of Human Resources Management*.

Evangelia Marinakou is a Principal Academic at Bournemouth University, UK. Before completing her PhD on Gender and Leadership from Strathclyde Business School, she had a career in the Greek hospitality industry. In her academic career journey, Lia has served as Head of Department at academic institutions in Greece, Switzerland, Bahrain, and the UK. Her experience in academic quality assurance is extensive and she contributes to programme revalidations and accreditations as an expert panel member at an international level. Her research interests include gender and diversity management, leadership, talent management, and human resource management in the hospitality industry context. In these research areas, she has written books, book chapters, and journal articles, and facilitated presentations in international conferences. She is also a founding member of Future Talent Council and a member of the Global Hospitality Research Alliance (GHRA), among other professional groups. Additionally, she has led European-funded projects with a focus on hospitality and tourism training. Lia is a visiting lecturer at universities in the UK, France, and Greece. She has also trained several industry professionals in Lifelong Learning programmes on emotional intelligence, employee motivation, and talent retention.

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Introduction

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Managerial Work in Hotels

The hospitality and tourism industry is acknowledged as a significant force in value creation and as the third largest employer in the world economy (WTTC, 2022). The hotel sector, an integral part of this industry, is a dynamic and highly competitive area with continuously developing new hotels and alternative lodging options. Hotel managers are crucial to the expansion and competitiveness of the industry since they have to develop novel strategies for attracting guests and business. Therefore, it is crucial to comprehend what hotel management is and how it works.

Hotel Management is taught at business schools nowadays and viewed as a management specialisation. However, there has been an ongoing discussion for many years about the "uniqueness" of hotel management compared to other fields or industries (Hsu et al., 2017). While many academics would argue against such a contentious claim, most hospitality professionals would agree (Lashley & Morrison, 2010); the middle ground is where the truth lies. The work life in hotels is challenging and rewarding at the same time. Hotel managers must think and act in a complex and volatile environment that involves multiple stakeholders within and outside the business unit (hotel). Although hotel managers are expected to operate at various levels and in many different areas, People Management is undoubtedly the most challenging.

Hotels are labour-intensive businesses that depend on employees to deliver superior quality products and services to guests. The hotel industry is centred on people, and hotel managers are responsible for ensuring that employees and guests are satisfied. It can be challenging for hoteliers to fulfil their job requirements because of the complexity of expectations and interactions with the key stakeholders (staff, guests, owners/shareholders). An excellent illustration of this argument is the required modifications and changes during the COVID-19 pandemic: hotel managers functioned as change agents to ensure the hotel guests' safety while remaining connected to their staff members, who were retained or rehired whenever possible. On the other hand, when the owner or corporate office failed to support hotel unit managers, the employees were made

redundant, and the hotel lost its business following the lockdowns (Giousmpasoglou et al., 2021).

Although many generic Hospitality and Tourism Management books exist, only a handful focus on Hotel Management, recognised as a distinctive specialisation in Higher Education (HE) programmes today. This book provides valuable insights into hotel managerial work from theoretical and practical perspectives. Hotel managers assume different roles to meet challenging job demands (Giousmpasoglou, 2019), especially in luxury establishments (4* and 5* hotels) where guest expectations are high for products and services. Managing a hotel can be challenging and rewarding, requiring exceptional communication and problem-solving skills and the willingness to work under diverse conditions. In summary, hotel managers must remain adaptable and forward-thinking to address the challenges while capitalising on existing and emerging opportunities in the hospitality and tourism industry.

The book focuses on contemporary hotel management issues from a People Management perspective and is organised into nine chapters. Understanding the hotel sector is the first step towards understanding managerial work in hotels (Chap. 2). Then, to comprehend what constitutes managerial work, we explore the evolution of managerial work studies from the early twentieth century until today (Chap. 3). Hotel job requirements can be understood through the required skills and competencies for hotel managers (Chap. 4). Successful hotel management is strongly related to Leadership and the leadership styles followed by hotel managers (Chap. 5). Furthermore, People Management requires specialised Human Resources Management (HRM) and Talent Management (TM) knowledge to facilitate practices, processes, policies, and strategies to successfully and effectively manage the hotel's employees (Chap. 6). In addition, the hotel managers' future generation creation goes through Hospitality Education (Chap. 7). Employee Diversity is another distinctive characteristic of the hotel sector; the knowledge of gender and broader diversity issues helps hotel managers create and maintain an inclusive working environment for all employees (Chap. 8). Lastly, the ability to accurately assess current and future challenges and opportunities is essential for hotel managers to make informed decisions (Chap. 9). The following section provides a summary of each book chapter.

Book Structure

Chapter 1: Introduction

The introductory chapter provides an overview of this book and its structure, including chapter summaries.

Chapter 2: An Overview of the Hotel Industry

Chapter 2 introduces the different types of accommodation lodges and hotels for commercial use (i.e., luxury, mid-priced, budget, resort, city, special interest, themed). The organisational structure, as well as the ownership status (i.e., corporate, independent, managed, and franchised) of the different hotel establishments, is also presented in this chapter. Furthermore, a discussion on the key challenges in today's hotel management such as the use of technology and environmental concerns provides a thorough presentation in the context of the global hotel sector.

Chapter 3: The Nature of Managerial Work

Chapter 3 delves into the fundamental theories and concepts defining managerial work's nature. The chapter opening provides a glimpse into the early management practices from ancient times to the Industrial Revolution. Then, the chapter focuses on management theories and schools of thought that have been shaped throughout the twentieth century. These theories range from the principles of Scientific Management to the innovative conceptualisation of managerial work roles by Henry Mintzberg and the modern approaches to management. In the closing section of the chapter, we explore the breakdown of managerial work into eight distinct functions: Organisational Behaviour, Human Resources Management, Ethics and Corporate Social Responsibility, Managing Diversity and Cross-Cultural Management, Managing Quality and Service Quality, Managing Change, Crisis Management, and Sustainability Management.

Chapter 4: Managerial Skills and Competencies

Chapter 4 starts by describing managerial work requirements in the hospitality industry context. The development of the hospitality industry has boosted the global demand for managers at all levels (entry, middle, and senior management). Therefore, it is imperative to understand the skills and competencies framework required for hotel managers to cope with the industry's current and future challenges.

Chapter 5: Leadership

Chapter 5 focuses on Leadership and its importance in hospitality. The goal of every organisation is to exceed the needs of the guests. Leaders emphasise the value of customer service in achieving repeat business, service excellence, and gaining a competitive advantage. Conversely, managers focus on operations and putting systems in place. Leaders are more proactive and strategic in understanding the dynamics of human resources and inspiring their followers. This chapter discusses the key leadership styles in hospitality management with particular reference to those characteristics that leaders require to be successful. It also presents ways to develop leaders and leadership skills required in today's turbulent global environment.

Chapter 6: Human Resources Management in Hotels

Chapter 6 investigates the Human Resources Management (HRM) function in hospitality settings. More specifically, the application of the fundamental HRM functions (namely Planning, Recruitment and Selection, Training and Development, Performance and Reward, and Employee Relations) as fundamental components of global Hospitality Management are critically discussed. Talent Management (TM) is also explored as a distinctive HRM function in Hotel Management. Examples and contemporary research findings are included in this chapter, as well as practical examples.

Chapter 7: Hospitality Management Education

The Swiss Hotel Schools, founded in the late nineteenth century, are the source of the long-standing legacy of hotel management education in Europe. The Swiss Hotel Management approach has been accused of its industry focus and vocational orientation. There is evidence today that the curricula in Further and Higher Education hospitality programmes are sometimes unable to keep up with the global hotel industry escalating needs. In order to properly prepare future hotel managers, the existing curriculum must be updated, and there must be closer industry and expert practitioner engagement. In addition, during the past forty years, integrating Information and Communication Technologies (ICT) into curriculum design has revolutionised the field of Hospitality Education. The most recent, far-reaching advancements in Artificial Intelligence (AI) present enormous difficulties and potential for hospitality education providers. Furthermore, well-planned internship programmes and hospitality courses give aspiring hoteliers the tools they need to succeed in this competitive field. This chapter presents the current situation in Hospitality Education and proposes ways to prepare future hospitality leaders.

Chapter 8: Diversity and Gender Issues in Hotel Management

Chapter 8 explores diversity and gender issues in the global hotel industry. Despite the profound benefits of an inclusive working environment, the global hotel industry is slow in adopting best practices in Diversity Management. In addition, the challenging working conditions and the masculine occupational culture are the key challenges for women to pursue a career in hotels. The latest developments, such as the #metoo movement, bring to the surface phenomena such as sexual harassment and gender segregation in the hotel industry, especially in senior management and board positions. The chapter presents success stories from existing hotels and proposes ways to benefit from the existing talent of women and other diverse groups.

Chapter 9: Current Challenges and Future Perspectives

With a particular emphasis on People Management, the last chapter examines the current issues facing hotel management and its prospects for the future. Irrespective of the size or sector, the protracted crises in the global, regional, and national economies, known as "Permacrisis," brought about profound changes for those working in the hotel industry. Staffing shortages, Talent Management, managerial resilience, employee work-life balance, and problems connected to Fair Work and labour exploitation were identified as the people management areas most impacted by this circumstance. It will take industry-wide initiatives and coordination in specific areas, such as labour mobility, technology use, skills development, and the promotion of the Fair Work agenda, to address this ongoing crisis in people management. A new generation of hotel professionals will emerge due to the much-needed industry transition, and they will need to develop a distinct set of competencies and abilities to pursue careers in this challenging field.

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An Overview of the Hotel Industry

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Introduction

Hospitality has been extensively researched, with numerous conceptualisations from different disciplines. Hospitality has a broad dimension that challenges management-oriented conceptions of what hospitality is (Lugosi, 2008). Other approaches also exist, such as defining hospitality based on social and cultural norms or even the social and emotional components of the consumer experience. This chapter examines hospitality, including operating structures, hotel ownership, and significant management and operational challenges.

History of Hospitality

The term *hospitality* is derived from the French word "hospice," which means taking care of travellers (Walker, 2021). Others state that the word hospitality comes from the Latin "hospitalitas," which means to receive as a guest. Brotherton (1999, p. 168) defined hospitality as a "contemporaneous human exchange, which is voluntarily entered into and designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation and/or food and drink." Kelly (2015) proposed two types of hospitality definitions. The first type, *semantic* definitions of hospitality, includes four characteristics: (a) they are conferred on guests who are away from home; (b) they are interactive, involving the coming together of the provider and the receiver; (c) they comprise a blend of tangible and intangible factors; and (d) they involve the host providing for the guest's security and psychological and physiological comfort. The second type, *practice-based* definitions of hospitality, relates to the economic exchange between firms and customers. Hemmington (2007) defined hospitality in the business context with five criteria: (a) the host-guest relationship; (b) generosity; (c) theatre and performance; (d) little surprises; and (e) safety and security. Finally, Brotherton and Wood (2000 in Lugosi, 2008, p. 140) suggested that:

The hospitality industry is comprised of commercial organisations that specialise in providing accommodation, and/or food, and/or drink, through a voluntary human exchange, which is contemporaneous in nature, and undertaken to enhance the mutual wellbeing of the parties involved.

From Ancient Times to Industrial Revolution

Hospitality has evolved through a long and diverse journey throughout human history. The concept of hospitality is "as old as civilisation itself" (Walker, 2021, p. 30), encompassing a wide range of cultural, social, and economic practices. The concept of hospitality is mentioned in writings from ancient Greece dating back to 15,000 B.C. It all started when people travelled for different purposes, and locals allowed them to rest on kitchen floors or other spaces. There were no purpose-built facilities until the first establishments were found in monasteries. The Sumerians were the first to refer to hospitality 4500 years before the common era (B.C.E.). As they started making money from selling their crops, they had more time to be involved in other activities such as writing, making tools, and producing beer, among others. In tavernas, they served beer for locals to relax and interact with each other (O'Gorman, 2007). Between 4000 and 2000 B.C.E., civilisations in Europe, China, Egypt, and India had elements of hospitality (i.e., inns and taverns). Inns and taverns were found everywhere, either run by freemen or retired gladiators; rest houses for pilgrims in the eighth century were established on the European continent. For example, in Italy, the inns belonged to the city; in England, inns and taverns were called post houses. The more the quality of the inns improved, the more people started travelling, mainly wealthy people who had expectations from the inns they stayed.

In the late sixteenth century, the first taverns served a fixed-price, fixed-menu meal (Walker, 2021). By the fifteenth century, England and France had laws regarding accommodation operations (O'Gorman, 2007). With the Renaissance and the Age of Exploration, the scope of hospitality expanded as global trade and colonisation increased. Opening trade routes to the East and discovering the Americas led to the establishment of colonial outposts and inns catering to travellers and traders. In the