



The New Zealand tourism and hospitality workforce strategy: Its application to small to medium hotels

Anne Zahra

Abstract

In 2004 a report was released in New Zealand forecasting a tourism and hospitality workforce skills shortage. The New Zealand tourism and hospitality industry responded with the release of the Tourism and Hospitality Workforce Strategy (2006). This exploratory study examines some of the issues raised in the industry strategy. Owner/managers of small to medium hospitality organisations were interviewed in relation to: recruitment and training; pay rates and staff turnover; productivity issues and their views on the relationship between human resources and the firm's financial performance.

The Tourism and Hospitality Workforce Strategy claimed that the sectors' high staff turnover rates were caused by low pay rates and inadequate career paths. This study however found that long and anti-social work hours, limited job satisfaction, and the seasonal nature of the industry, were also contributing factors to the low retention rates characteristic of the industry. It was found that productivity was not a term that was well understood by owner/managers in small to medium firms and that these managers use informal systems for recruiting and HRM policies.

Keywords: New Zealand, workforce strategy, human resources, productivity, small to medium firms

Author: *Anne Zahra* is Senior Lecturer at the Department of Tourism and Hospitality Management, University of Waikato, New Zealand. Anne has a strong research interest in organisational structures and policy making. She lectures in both tourism and hospitality fields and has authored one of the most commonly used text books on law for tourism and hospitality students.

Introduction

The *Tourism Workforce and Skills Projections Report (BERL Report)* released in November 2004 identified a skills shortage for the tourism and hospitality industry in New Zealand that threatened the profitability and future growth of the industry. This however is not unique to New Zealand (Jameson, 2000). The report articulated that:

- 1) Managing staff turnover was critical, since 75% of the workforce required to maintain and grow the industry was a consequence of staff who left;
- 2) The tourism and hospitality sectors' pay rates were uncompetitive when compared with other sectors in New Zealand
- 3) If employers want to recruit people with the right 'attitude' they need to be cognisant and provide career paths and goals.

This report was produced at a time New Zealand was experiencing sustained economic growth, skills shortages and a tightening of the labour market across all industries, with unemployment rates the lowest in twenty years. The tourism and hospitality industry in New Zealand has traditionally been a low wage industry and reliant on casual, migrant and low-skilled workers.

In response to the BERL Report (2004) representatives from industry associations, industry training organisations and government departments and agencies in 2005 formed the 'Leadership Group' to identify the drivers of the industry skills shortage and develop a strategy to address them. It should be noted that there were no employee representatives or unions in this group. The leadership group engaged consultants to investigate issues with employers, industry training providers and government agencies. However current, past or prospective employees were not consulted. The group quickly realised that central to the problem of workforce shortages were workplace issues such as: up-skilling current employees; increasing productivity and profitability to absorb wages rate increases; attraction of further investment, and ensuring employees deliver world class visitor experiences. The solution was not just to find the people to fill the projected shortages but to attract people to the tourism and hospitality industry over other industries, provide workplace satisfaction, career paths and equitable salaries (*Tourism and Hospitality Workforce Strategy*, 2006). The industry needed to invest in their people, their skills training, the tools and technology they use and how their work was organised. *The Tourism and*

Hospitality Workforce Skills Strategy was released in 2006. Table 1: The Tourism and Hospitality Workforce Skills Strategy summarises the goals and recommendations of the strategy. The strategy was a sector wide strategy, involving peak industry organisations, government bodies as well as individual tourism and hospitality businesses.

The purpose of this study is to examine what managers in small to medium hospitality firms in New Zealand understand by the term productivity and their views on the relationship between recruitment, training and workplace productivity and the causes, incidence and costs of staff turnover.

Table 1: The tourism and hospitality workforce skills strategy

Goals	Recommendations
1. Attract and secure sources of labour	<ul style="list-style-type: none"> • Promote the industry as a worthwhile career to: <ol style="list-style-type: none"> a) Potential employees: seasonal workers, migrants and mature people b) Key opinion leaders, e.g., media • Establishing an industry owned, centralised employment information website, including potential career paths • Identify and secure sources of labour from schools and non-traditional labour pools such as retired people and foreign students • Remove barriers to entry for potential employees such as migrants, overseas workers and those that require flexible working hours and conditions e.g. parents and mature workers
2. A skilled workforce with the appropriate personal attributes to deliver a quality experience	<ul style="list-style-type: none"> • Ensure policy, funding and delivery of both tertiary and work-based education and training is aligned to the needs of the industry • Undertake a sector training needs analysis • Remove barriers and encourage more uptake of training and education by tourism and hospitality SMEs • Understand better the link between recruitment, training and workplace productivity • Develop locally-based tourism and hospitality business clusters to meet training delivery needs
3. Increase retention rates	<ul style="list-style-type: none"> • Improve wage rates for sector employees • Research of tourism and hospitality employees and employers to confirm the causes, incidence and costs of staff turnover, which can also be a benchmark against which to measure future change • Promote an understanding of the factors that influence staff retention and encourage best practice • Map out available career paths
4. Improve management systems and	<ul style="list-style-type: none"> • Training assessment models to align training plans with business models • Map all work-based and tertiary training

processes to maximise contribution of their staff	opportunities and their relationship to the training needs of tourism and hospitality businesses and disseminate this to both employers and employees <ul style="list-style-type: none"> • Develop a best practice recruitment and retention toolkit
5. Advocacy to improve the legislative and regulatory environments	<ul style="list-style-type: none"> • Lobby government to design taxation policies and economic incentives to encourage more people into part-time employment • Ensure immigration legislation and policy is responsive to industry needs
6. Address future workforce and skills needs on an ongoing basis	<ul style="list-style-type: none"> • Establish a leadership group to implement the strategy, monitor progress, communicate and exchange information across the sector • Develop processes to identify, monitor and report on workforce issues on an on-going basis

Literature review

The tourism and hospitality sectors are highly labour intensive and therefore good human resources management is critical to success (Jameson, 2000). However, human resource management in the hospitality sector has long suffered from poor image (Kelliher & Johnson, 1987) with only larger hotels moving to integrate human resource issues into their business strategies and planning (Kelliher & Johnson, 1997).

Tourism and hospitality firms of all sizes are characterised by informal and “relatively unsophisticated management styles” (Jameson, 2000, p. 43) especially when it comes to human resources and, more specifically, to recruitment and training (Baum, 1995; Goldsmith, Nickson, Sloan, & Wood, 1997; Lucas, 1995). Human resources strategies in hospitality organisations are generally concerned with both controlling labour as a resource and gaining commitment from employees in an increasingly competitive and customer service environment (Lashley, 1998).

The workforce skills strategy identifies low pay rates and inadequate career paths as contributors to high turnover rates. This is congruent with Lewis & Chambers (2000), yet they also include long and anti-social work hours, repetitive tasks and the seasonality of the sector as causal factors of high turnover rates for the hospitality sector. Casual employment arrangements are a prominent feature of the New Zealand tourism and hospitality industry, especially the accommodation and restaurant sectors, and casual employment is often characterised by little job security (Lowry, Simon, & Kimberley, 2002), less employment continuity, with casual employees receiving fewer

organisation benefits (Campbell, 1996). However, the Workforce Strategy in goal one, in Table 1 implies increased casual employment.

The hospitality sector world wide is characterised by low productivity (Ingram & Fraenkel, 2006). Therefore, the productivity issues raised in the workforce skills strategy are not unique to New Zealand. Small tourism and hospitality firms tend to operate in the secondary labour market which is characterised by small firms with low capital to labour ratio, low productivity, low wage and skills level, limited training opportunities and employment instability (Goldsmith *et al*, 1997).

Tourism and hospitality firms across the board tend to have informal and haphazard recruitment methods (Boella, 1996). However, informality is accentuated in small firms. “The small business owner/manager is likely to handle recruiting and personnel matters without delegating and is unlikely to have any relevant skills” (Jameson, 2000, p. 44).

Tracey and Nathan (2003) identified a direct relationship between time invested in skills level training, turnover/retention and sales. However, not all training leads to increased productivity, employee commitment and profitability (Pfau & Kay, 2002). Warech and Tracey (2004) in their empirical study noted that successful training is contingent on many factors associated with design and implementation, yet training did improve operational performance and can be an indicator of long-term sustainability. Despite the benefits of training, the hospitality industry had lowest training activity levels in the United Kingdom (Jameson, 2000).

Staff turnover rates were found to improve if employees are valued, trained, given responsibility and consulted in regards to operational changes (Lewis & Chambers, 2000). There was a high correlation between customers perceptions of quality service and employees perception of the organisation and quality service delivery (Schneider & Bowen, 1995). Lovelock and Wright (2002) found that in organisations where customers reported high quality service, employee turnover was low.

Ingram and Fraenkel (2006) state that the hotel industry in Switzerland over the last two decades has found it increasingly difficult to recruit staff who meet managers’ expectations; encountered higher staff turnover levels; and constant wage cost increases with wages now 40% of expenditure. All these factors have led to increased pressure to improve productivity. Productivity can be defined as “value-added output

divided by the active working population”(Ingram & Fraenkel, 2006, p. 440). Ten senior managers of luxury hotels were interviewed in an explorative study. They found that managers confused the notion of productivity with profitability, productivity concepts were perceived as not practical to implement in practice and that “increasing productivity necessarily decreases customer service because fewer ‘point-of-service’ staff will be available” (Ingram & Fraenkel, 2006, p. 443). Their study also examined management supervision, recruitment, training and service quality and concluded that productivity is a conceptual attitude embracing perceptions, frames of reference and intangibles and “the essence of productivity enhancement is knowing how to do things better” (Ingram & Fraenkel, 2006, p. 444). One of the objectives of this paper is explore what managers in small to medium firms understand by the term productivity as this was a central issue raised in the *Tourism and Hospitality Workforce Strategy*. Warech and Tracey (2004) recognised the continuing trend of cost reduction pressures, or at least the containment of costs, in the hospitality sector was unlikely to reverse any time in the near future. They concluded that “HR will have to find ways to use its existing talent to promote the highest value activities and practices...that is those that help drive the strong financial performance” (Warech & Tracey, 2004, p. 378). This human resource-financial performance link is a strong theme in the New Zealand strategy.

Research method

There has been little academic research in New Zealand in relation to most of the issues raised in the *Tourism and Hospitality Workforce Strategy*. Therefore, this paper can be described as a descriptive qualitative exploratory study “as knowledge is scant and a deeper understanding is required” (Cavana, Delahave, & Sekaran, 2001, p. 109). Qualitative research allows one to study selected issues in depth and in detail. “Approaching field work without being constrained by predetermined categories of analysis contributes to the depth, openness and detail of qualitative inquiry” (Patton, 2002 p. 13). The quantitative researcher seeks many cases and subjects and often uses statistical analysis while qualitative researchers tend to seek fewer cases and subjects (Nueman, 2000). Qualitative research adopts an inductive approach whereby the researcher observes certain phenomena and arrives at certain conclusions. The

qualitative researcher begins with detailed observations of the world and moves towards more theoretical generalisations and ideas (Taylor & Bogdan, 1998).

One of the aims of this study is to understand the situational factors associated with human resources issues in small to medium hospitality firms in order to obtain a good grasp of the phenomena along with the complexities and problems associated with staff turnover, shortage of skilled staff, productivity and the financial implications for smaller operators. Therefore, this paper is seeking 'what' could be labelled exploratory (Nueman, 2000). Given the in-depth and exploratory nature of the study, only four interviews were undertaken. All interviews were transcribed and themes identified using content analysis.

Semi-structured interviews were used to gather information from small and medium sized firm's owner/managers and their perception of the following four themes: recruitment and training; pay rates and staff turnover; productivity issues; and the relationship between human resources policy and the firm's performance. Appendix 1 lists the questions used in the interviews. These owner/managers were approached through personal networks and the organisations were located in the Waikato and Bay of Plenty regions of New Zealand. The interviews were managed by the interviewer to elicit specific information and towards the end of the interview, prepared questions were asked if specific subjects had not been raised, These interviews were still "fluid in nature and followed the thinking processes of the interviewee" (Jennings, 2001, p.165).

The recruitment and training theme asked how they recruited staff, what type of staff they were seeking, what training they provided and if the firm had invested in up-skilling their staff. They were also asked how do they attract and recruit talented people. In examining pay rates and staff turnover, managers were asked if they offer equitable salaries and if they think the industry offers equitable salaries. They were asked if they thought it was important to make staff feel valued and make jobs rewarding and if they did how they achieved these objectives. This theme questioned if there were coherent career paths in their organisation and elicited their views on the factors that contribute to the high staff turnover in the wider hospitality industry.

The productivity theme explored how the firm invested in tools and technology and the last time the firm studied their work organisation and structure. The managers were

asked what they understood by the term productivity, if the firm had a strategy and, if so, was productivity included in the strategy objectives. Finally, managers were asked if they thought HRM functions, such as recruitment, training and OHS, had an impact on the firm's performance.

Findings

All acknowledge that there was skills shortage across all levels. The medium-sized organisations identified two major problems associated with skills shortages. The first was that young people with tertiary qualifications appeared to have unrealistic expectations seeking management positions immediately.

I like to see my staff have a strong understanding of what is involved in events from the ground up. You have to be hands on and familiar with every aspect of the event so you are able to work out what your time scales are and what you can achieve in certain areas; what is a reasonable task and what is out of the question? A lot of younger people coming through very quick to say yes to everything without a knowledge base being there.

The second problem was that prospective employees who had industry experience had minimal skills levels. The smaller firms, being accommodation providers, were predominately concerned with the skills shortage of reception staff as there was no requirement for housekeeping staff to be skilled or to have experience.

Recruitment and Training

The recruitment methods varied. Both small and medium-sized firms relied on advertising while one small firm just relied on networks, word of mouth or people walking in off the street and leaving their CV. One small firm stated they do not employ people from the same family. All relied on informal and even intuitive selection methods looking for 'a very good feel for people'. Yet the recruitment process had a clear end associated with customer service:

I go solely on personality, I really do. The CV is a CV. It's the characteristics of the person when they're talking to you, how do they sell themselves to you? If they sell themselves to you, guaranteed they're going to be able to sell your products or services to the clients, whether it is taking someone to the restaurant area or popping through to a meeting room, you've got to have the technique with you.

Our recruiting is strategic in that we make sure that they fit within the organisation and fit within the organisation's objectives and mission, so we do recruit strategically on that basis, and the reasons are that because it is service orientated we supply what we believe to be a service which is probably in excess of the norm, and that is a certain type of person who can handle that. I mean you see our girls at reception, and it is not any person that can do that sort of work. We take that as far as the housekeeping as well, we actually get that kind of mindset that the guest comes first.

All organisations found it hard to attract and recruit talented people. However, when asked how they achieved this goal they focused on how they retained their people, such as the working conditions and the friendly family type of environment and taking care of their staff. When questioned about training, all those interviewed focused on the job skills based training with a lot of emphasis on customer service. One firm stated that if staff wants to do additional training they were prepared to meet the expenses if it would benefit the hotel. Up skilling of staff was directly linked to on-the-job training and the opportunity to gain experience in different positions.

Pay rates and staff turnover

All those interviewed stated that their organisation offered equitable salaries compared to other operators in the hospitality sector in their area, however this was still close to the minimum wage rate. They linked the problem of pay rates to small volume capacity and limited returns from operations:

The problem we have with remuneration is the comparison of the industry to other sectors. The hospitality industry is on the bottom end of the scale. We are a small hotel but we are offering a phenomenally good service and trying to get that to match and deliver returns. It is extraordinarily difficult. We actually are short-changed on the ability to pay, because we don't have the size and so there's a double-edged sword for us, so it's a very fine line.

All those interviewed agreed that the hospitality industry generally offers minimum wages; were underpaying their staff and most do not have any interest in offering higher pay rates. Yet, labour shortages, and competition from new properties and operators in Auckland, the largest city in New Zealand, who generally offer higher rates, are putting pressure on the regional labour markets. One manager also identified Australia as a major competitor.

Big chunks are going to Australia. In Australia I believe hospitality is seen as a career and the pay rates show that, especially when you talk about time and a half and double pay in the weekend, and you can go up to wages of \$18 to \$20 an hour for just being a barman. You look at Australia and the lifestyle that you can have on \$A18 an hour.

All acknowledged that career paths were important to attract and retain staff, especially young people, yet this was a problematic area especially for smaller properties, as there are few positions and not a lot of career progression is available. For small accommodation providers it comes down to two types of jobs: *'front desk or making beds'*. One organisation clearly stated that they do not employ students as they are *'transit and stop-gap'*. Common to all were young full time staff employed for around a year and then moving on to Auckland or overseas. All properties employed older people, especially those in the Bay of Plenty region, where older people relocate to prepare for retirement.

All properties recognised that staff needed to be rewarded and shown they are valued by their employers. All acknowledged that it was difficult to reward on the basis of income so they tried to have flexible work arrangements, foster social events and provide small gifts as rewards. Two smaller properties provided end of year bonuses for all their staff. One property based their bonus on retention, performance and they were in the process of setting up Key Performance Indicators (KPIs). One owner/operator initially thought that providing challenging tasks and avoiding routine and repetitive jobs would provide further incentives. However, *'not true, it might be long-term, but not short term, they still are looking at what sits in the pay packet'*. Most relied on their management style to value and reward staff. This approach is reflected in the following quote:

My management style is that I'm very much hands on, I'm not an office person. I like to come in and let them hear the experience I've had so they can see what they can learn from me. There's nothing worse for a staff member when they come to a place and don't know many people and are unsure of their surroundings. They get put into a busy environment and straight away you've got the general manager working beside them, clearing the tables, cracking a joke at the same time, making it as fun and light-hearted as you can in a stressful environment. I give them praise straight away,

hey Sarah or John, its been a great couple of weeks, thanks very much. You buy them a nice little gift, and in a short period of time I say I want to see them pushing for the next level up and taking control of things and it gives them a boost in self-esteem as well.

All those interviewed had views on why the industry was characterized by high staff turnover. It is hard to offer reliable working hours such as offering housekeeping staff forty hour weeks, yet due to seasonality, reception staff may need to work between 50-60 hours in summer and then they can only be offered 30-35 hours in the winter period. In the down times/low season some people find it boring after coming through a busy exciting time and they leave. Other perceptions of contributing factors to high staff turnover is job satisfaction, *'I don't think people can ultimately have long term job satisfaction; especially with housekeeping, its basically a crappy job I think'* and relative pay in other sectors for the work they do. *'They can find another job very easily; it might be at a shop and its easier, a cleaner is a cleaner you can't call them motel technicians, because its nonsense. You can't job rotate, you can't put a housekeeper into reception and the reception certainly doesn't want to go into housekeeping'*. One manager had a positive outlook in relation to the high staff turnover:

In this industry, there is always staff turnover in summer, a lot of people just come when you're busy and then leave, and that's not a bad thing, you need them over summer and then when summer's over, you don't need them any longer.

Productivity

From the researcher's perspective this was the most problematic aspect of the interview. Terms were used that came directly from "The Tourism and Hospitality Workforce Skills Strategy" such as 'tools and technology', 'work organisation and structures' and 'productivity', but the owner managers did not understand these concepts fully and placed their own interpretations and meaning in the discussion that ensued. In terms of tools and technology, all the properties were either relatively new or had undergone refurbishment recently and for them 'tools and technology' meant the property infrastructure rather than tools and technology related to their operations: *'That doesn't change; technology doesn't have an impact on the basics or what you need to do. Housekeeping, its always going to be a vacuum cleaner etc.'* Reviewing

work organizations and structures in a formal way was not a priority for any of the managers interviewed, rather they adjusted workflows to meet day to day needs.

Respondents were asked what they understood by the term productivity and the range of replies included:

The efficiency at what they perform during their work, it can be both time and quality. For me it relates to how much it costs me to achieve that, am I getting a fair amount for what it is costing me?

It's what you're achieving in a certain time frame. You can measure it in certain ways. You can be productive by talking to the client and liaising with them, developing an event while an actual event that is taking place. Productivity is all geared to customer satisfaction at the end of the day. It's what you are doing to achieve the best experience for the guest. If you're in the restaurant and putting a smile on the face of the guest, and making their day a little bit better, in my eyes you're being productive. It's not that I moved 2 chairs from that side of the room to that side of the room and I only did it in 5 minutes.

Quick room turnover, online bookings kept up to date, keeping guest happy, working well with agents, developing good relationships and quick thinking to get the booking.

No organization had a formal strategy or strategic objectives and the managers were primarily operations focused and therefore productivity was discussed in terms of the operations context.

The relationship between HRM policy and the firm's performance

All those interviewed agreed that having the right staff is crucial to the success of the organisation and therefore HRM was critical. The firm's performance was directly linked to the ability to deliver quality customer service, to achieve repeat business and reputation.

Our growth is from the guys at the front line and what they're achieving. I could go across and sell anything to anybody but unless my staff deliver that on the day then I'm not going to succeed and the only way I'm going to succeed is by making sure that my staff want to be here, they want to be in this position, they know where I come from and know that they can call for help.

Its critical, the staff, the talent, lack of talent, the performance, its all critical, the whole thing is critical, you could make a room as pretty as possible, but with no good staff there's no way you're going to get repeat business.

The findings indicate there is little integration between traditional human resource areas such as recruitment, staff turnover, productivity and organisational performance on a practical level. Owners/managers interviewed could discuss the theory but there were gaps in implementation.

Conclusion

The findings in this study were more aligned to Lewis and Chambers (2000) explanation for the reasons the hospitality sector has high staff turnover rates. Managers did not only identify pay rates and lack of career paths as stated in the “Tourism and Hospitality Workforce Skills Strategy” but long and anti-social work hours, limited job satisfaction and the seasonal nature of the industry were also thought to be contributors. This study was not able to obtain or compare staff turnover ratios of the firms in the study against the industry average, yet all managers recognised the importance of rewarding and valuing staff as a way of taking care of staff and retaining them longer.

It appears that productivity is not a term that is well understood by small to medium size firm managers. In relation to the goals in the “Tourism and Hospitality Workforce Skills Strategy”, owners/managers need to be educated and become familiar with the concept of productivity and its associated implications for work organisation before the tourism and hospitality sectors can achieve productivity gains and improve the financial performance of the sector. An area for future research is theory development identifying measurable indicators for small to medium hospitality operators to measure productivity gains and their linkage to human resource practices.

This exploratory study supports Jameson's (2000) study that owners/ managers of small firms handle all recruiting and HRM matters and these firms are characterised by informal systems. It was recognised that staff were fundamental in delivering quality customer service and success of the business, yet there appeared to be little integration on a practical level. Another area for future research is the design of empirical measures of human resource practices and the delivery of quality customer services.

References

- Baum, T. (1995), *Managing Human Resources in The European Tourism And Hospitality Industry: A Strategic Approach*. London: Chapman & Hall.
- BERL. (2004), *Tourism and Workforce Skill Projections*. Wellington: Business and Economic Research Limited.
- Boella, M. J. (1996), *Human Resource Management in the Hospitality Industry*. Cheltenham: Stanley Thornes.
- Campbell, D. (1996), 'Casual employment, labour regulation and Australian trade unions'. *Journal of Industrial Relations*, Vol. 38 No.1, pp.571-597.
- Cavana, R., Delahave, B., & Sekaran, U. (2001), *Applied Business Research: Qualitative and Quantitative Methods*. Milton, Queensland: Wiley.
- Goldsmith, A., Nickson, D., Sloan, D., & Wood, R. C. (1997), *Human Resources Management for Hospitality Services*. London: International Thomas Business Press.
- Ingram, A., & Fraenkel, S. (2006), 'Perceptions of productivity among Swiss hotel managers: A few steps forward?' *International Journal of Contemporary Hospitality Management*, Vol. 18 No. 5, pp.439-445.
- Jameson, S. (2000), 'Recruitment and training in small firms'. *Journal of European Industrial Training*, Vol. 24 No. 1, pp.43-49.
- Jennings, J. (2001), *Tourism Research*. Milton, Queensland, Australia: John Wiley & Sons.
- Kelliher, C. & Johnson, K. (1987), 'Personnel management in hotels -some empirical observations'. *International Journal of Hospitality Management*, Vol. 6 No. 2, pp.103-108.
- Kelliher, C. & Johnson, K. (1997), 'Personnel management in hotels -an update: a move to human resource management.' *Progress in Tourism and Hospitality Research*, Vol.10 No. 3, pp.321-331.
- Lashley, C. (1998), 'Matching the management of human resources to service operations.' *International Journal of Contemporary Hospitality Management*, Vol. 10 No.1, pp. 24-36.
- Lewis, R. C., & Chambers, R. E. (2000), *Marketing Leadership in Hospitality* (3/ e). New York: John Wiley & Sons.

- Lovelock, C. & Wright, L. (2002), *Principles of Service Marketing and Management*. New Jersey: Prentice Hall.
- Lowry, D. S., Simon, A., & Kimberley, N. (2002), 'Toward improved employment relations practices of casual employees in the New South Wales registered clubs industry.' *Human Resource Development Quarterly*, Vol.13 No.1, pp 53-70.
- Lucas, R. (1995), *Managing Employee Relations in the Hotel and Catering Industry*. London: Cassell.
- Nueman, W. L. (2000), *Social Research Methods, Quantitative and Qualitative Approaches*. London: Sage.
- Patton, M. Q. (2002), *Qualitative Research and Evaluation Methods*. Thousand Oaks, California: Sage.
- Pfau, B. N. & Kay, I. T. (2002), *The Human Capital Edge*. New York: McGraw-Hill.
- Schneider, B. & Bowen, D. E. (1995), *Winning the Service Game*. Boston: Harvard Business School Press.
- Taylor, S. J. & Bogdan, R. (1998), *Introduction to Qualitative Research Methods : A Guidebook and Resource*. New York: John Wiley and Sons.
- Tourism and Hospitality Workforce Strategy* (2006).
- Tracey, J. B., & Nathan, A. E. (2003), 'The strategic and operational roles of HR: A new model emerges.' *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 43 No. 4, pp.7-26.
- Warech, M. & Tracey, J. B. (2004), 'Evaluating the impact of human resources: Identifying what matters.' *Cornell Hotel and Restaurant Administration Quarterly*, Vol. 45 No. 4, pp. 376-387.

Appendix 1

Semi-Structured Interview Questions

Human Resource Issues in Medium-sized Hospitality Firms

Research Questions

1) Recruitment and Training

- a) How do you recruit staff?

- b) What type of staff are you looking for?
- c) How do you think you can attract and recruit talented people?
- d) What training and education do you provide?
- e) How has your firm invested in upskilling staff?

2) Pay Rates and Staff turnover

- a) Do you think you offer equitable salaries?
- b) Do you think the hotel industry generally offers equitable salaries?
- c) Are there coherent career paths for staff in your organisation?
- 3) Do you think it is important to make jobs rewarding? If so how and what do you do?
 - a) Do you think it is important to make staff feel valued? If so how do you achieve this?
 - b) What factors contribute to high staff turnover in the wider industry?

4) Productivity Issues

- a) How has the firm invested in tools and technology?
- b) When was the last time your firm studied work organization and structures?
- c) What do you understand by the term productivity?
- d) Does your firm have a strategy or strategic objectives? Is productivity included in the strategy or strategic objectives?

5) The relationship between recruitment, HRM policy and productivity

- a) How do you think human resource functions such as recruitment, training and occupational health and safety impact on the firm's performance?