

Human Resource Management in Hotel Units: The Portuguese Case

Susana Silva

*The Polytechnic Institute of Porto, School of Management
and Industrial Studies, Portugal
susanasilva@eseig.ipp.pt*

Dora Martins

*The Polytechnic Institute of Porto, School of Management
and Industrial Studies, Portugal
doramartins@eseig.ipp.pt*

This paper presents the main Human Resources Management (HRM) distinctives for Portuguese hotel units. We attempt to understand the role of various HRM practices promoted on organizational performance and their effect on the behaviour of co-workers and quality service in hotel units; some reflections on the future trends in this field are offered. This phenomenon has a particular relevance in the Portuguese context, because this country is known to have had a growing tourism industry in recent years. However, little is known about HRM departments' contributions to their human capital management and development. This paper is one of the first to focus specifically on Portuguese hotel units and it also seeks to present findings that stem from the Human Resources Managers' perspective. This paper is based on qualitative case studies; the data were collected through semi-structured interviews with 12 human resource managers from 12 hotel units located in Portugal. The results show that although there is not effective HRM, current HRM practices are sufficient to encourage pro-environmental behaviour in their staff, and they have a direct effect on customer satisfaction and competitiveness of the sector. However, managers recognize there is a need introduce some change in the short-term to promote the better performance of staff with effects on customer satisfaction and competitiveness of the sector in Portugal. According to these results, the paper discusses the major theoretical and practical implications for future research in the HRM field.

Keywords: human resources management practices, human capital, tourism, hotel industry, Portugal, exploratory study

Introduction

This paper examines the role of human resource management (HRM) practices in the Portuguese tourism context. We investigate HRM practices because tourism organizations' success largely depends on the attitudes and skills of employees. In particular, and as stated by Ottenbacher and Harrington (2007, p.

446) 'hospitality success is strongly related to excellent HRM practices.' Furthermore, we focus on HRM practices because they are vital in the tourism industry, which is characterized by low skill levels among employees and a high turnover rate (Chang, Gong, & Shum, 2011).

Tourism has been recognized as a strategic sector

for economic growth in many countries and recognized as one of the most important industries in the world. In the last five years, this sector has registered positive growth, a trend that is projected to continue over the next decade. According to the World Travel & Tourism Council (2014), the arrival of international tourists increased from 528 million in 1995 to 1087 million in 2013 and is expected to reach 1762 million in 2024. Additionally, Eurostat (the statistics office of the European Union), confirms that the number of nights spent in hotel units in 2014 in the EU reached a record number of 2.7 billion, 1.7% more in comparison to 2013. Portugal contributes to an increase of 7.1% in the number of overnight stays for a total of 53.4 million and is one of the three countries with the highest growth in tourism in the EU (see http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_statistics).

Specifically, Portugal experienced a growth of 11.9% (World Travel & Tourism Council, 2014). The tourism sector is a particularly attractive option to stimulate development in rural and low-income countries and regions that previously relied heavily on agriculture and natural resource extraction. Tourism development often provides the dual advantages of generating employment and income while promoting cultural heritage and traditions (World Travel & Tourism Council, 2012).

In Portugal, in 2013, tourism had strong competitive advantages, with attractiveness factors, including geographic location, climate, historical and cultural heritage, gastronomy and wine, hospitality, diversity of supply (beach, city, golf, casinos, rurality, etc.), and security (Turismo de Portugal, n. d.), while being chosen as one of the best destinations in 2014 by the publisher of Lonely Planet travel guides, appearing in the list of 'best value' countries considering the best quality/price ratio.

Many researchers have underscored the importance of customer-contact employees in creating and providing excellent service quality (Bitner, Booms, & Tetreault, 1990; Hartline & Ferrell, 1996; Kelley & Hoffman, 1997; Zeithaml, Parasuraman, & Berry, 1985; Tsaur & Lin, 2004). Furthermore, increased service quality through increased employee performance is a

viable way for hotels to remain competitive (Tsaur & Lin, 2004).

According to previous literature, HRM practices contribute to improving organizational performance including turnover rate (Huselid, 1995), labour productivity (Datta, Guthrie, & Wright, 2003; Huselid, 1995; MacDuffie, 1995; Youndt, Snell, Dean Jr., & Lepak, 1996), return on assets and return on equity (Delery & Doty, 1996), and profit margin (Kalleberg & Moody, 1994). Thus, HRM seems to gain strength in the hotel industry because, as asserted by Cho, Woods, Jang, and Erdem (2006), the emphasis of human resources as a factor to improve organizational performance has become stronger, not only because they cannot be easily imitated by competitors, but because they provide an effective and rapid response to market demands (Huselid & Becker, 1996; Prahalad & Hamel, 1990; Stalk, Evans, & Shulman, 1992). However, they are still few studies that attempt to understand the impact of HRM practices on organizational performance, more precisely the role of the HRM function on quality service and customer satisfaction through decreased turnover rates, increased labour productivity, and increased profit margin within the industry. Therefore, this study explores how various HRM practices could influence organizational performance in Portuguese hotel units.

Important questions unanswered and motivated this study: (1) Is there a relationship between HRM practices and customer service quality in hotel units? (2) Which HRM practices are most important for organizational performance? (3) What will the future tendency of the human capital profile on Portuguese hotel units be? (4) What with the change in HRM function for the management of their staff be in the short term?

The purpose of this article is to present the results of an empirical study with Portuguese hotel units, presented by outlining HR professionals' perceptions of the extent to which HRM practices are used and will be used in the short term, coupled with appropriate theoretical discussion, designed to answer these questions.

Finally, the first reason for focusing on this issue is because there is no known study that relates HRM

and organizational performance for Portuguese hotel units. The second reason is the fact that the number of hotel units in Portugal has been growing in recent years (see www.turismodeportugal.pt). Although tourism is a significant driver of economic, social, and cultural development in both developed and developing countries, there are few hotel units listed among the best organizations to work. In 2013 and 2014, a mere four hotel units were identified as being among the best places to work ('100 Melhores empresas para trabalhar', 2015). To understand why this number improved (either by the number of places or the ranking) is the third reason for this study. Finally, we attempt to explore what the main problems related to HR in this specific industry are (e.g. low qualification of HR and high seasonality).

The paper has the following structure. In the literature review section, we will present the concepts of HRM and Portuguese tourism characteristics, and will expose some theories about the use of HRM in the tourism industry. In Section 3, we will summarize the methodology. In Section 4, we will present the results and will discuss them in Section 5. In Section 6, we will present the conclusions, limitations, and implications of the paper.

Literature Review

The National Cultural Influence in the Role of hrM

The broad literature on HRM evaluates the linkages between national contexts and predominant modes of people management and seeks to compare these between themselves (Brewster, Mayrhofer & Morley, 2004; Dibben et al., 2016). Furthermore, the 1990s brought significant changes in the labour market, involving new roles for people in organizations. In this context, the HRM function is viewed from a new perspective, with the primary responsibility to manage the most strategic resource of organizations, differentiating it from other resources (Bilhim, 2009). The HRM gains, therefore, an important role of strategy implementation in organizations and to the achievement of organizational goals (Barbosa, 2005). However, it cannot be said that this development was uniform. A recent literature review of HRM (e.g. Davis & Luiz, 2015; Tüselmann, Allen, & McDonald, 2014;

Vaiman & Brewster, 2014) shows different specificities in this development according to the country or global region.

In a comparative analysis of multinational European and Indian firms located in Southern African Development Community countries, Gomes, Sahadev, Glaister, and Demirbag (2014) found that the Indian HRM function was shifting from an emphasis on personnel towards a more strategic HR role but with a greater emphasis on HR development (Budhwar & Varma, 2010). However, HRM functions remain less formal and less structured than in European organizations (Budhwar, 2009). Some researchers (e.g. Rao, 2007; Saini & Budhwar, 2008; Som, 2007) emphasize the fact that there are strong influences of sociocultural, political and economic factors on HRM policies and practices in Indian firms. Furthermore, Indian firms are influenced by high collectivism and high power distance that favour personal and familial relationships over work outcomes (Budhwar & Khatri, 2001; Tymon, Stumpf, & Doh, 2010). Consequently, Indian firms appear to have high turnover rates, accompanied by problems with management, development, and retention of talent (Bhatnagar, 2007; Cooke & Saini, 2010; Stumpf, Doh, & Tymon, 2010). In contrast, several authors (e.g. Gomes Sahadev, Glaister, & Demirbag, 2014; Sparrow & Hiltrop, 1997; Yan, 2003) consider the HRM of European firms to be a homogeneous function, which has policies and practices influenced by a relatively long-term approach to business, resulting in long-term relations with employees moderated by trust and loyalty. Finally, Gomes et al. (2014) also show that the African-style HRM practices favour collectivist and paternalistic practices over individualist and instrumentalist practices characteristic of MNEs from more developed countries (Horwitz, 2012, 2013; Horwitz & Smith, 1998; Newenham-Kahindi, 2013).

Culture is defined as acquired knowledge that shapes values, originates attitudes and affects behaviour, and which members of a society (or a social group) use to interpret experience and generate social behaviour (Luthans and Doh, 2009; Vaiman & Brewster, 2014). Portugal has some distinct cultural idiosyncrasies in comparison to the contexts that have

been most widely studied (e.g. Asia, USA, Scandinavia, Spain, France, Holland, Germany, England, Russia). In Portugal, there is a strong penchant for gender equality, collectivism of in-group/family, uncertainty avoidance, and power distance but less institutional collectivism, assertiveness, future orientation, performance orientation and human orientation (House et al., 1999; Jesuino, 2002). Some researchers (e.g. Bennett & Brewster, 2002; Brewster & Bennett, 2010) argue that the national culture can influence the organizational culture of Portuguese companies and their HRM function. Another important aspect that results from the study of Brewster and Bennett (2010) is the incomparability between the organizational cultures of different countries (e.g. each country has specific rules that determine the performance of their companies). Brewster and Bennett (2010) emphasize the lack of planning and organization in the organizational culture of Portuguese companies. In a contrasting position, under the influence of German organizational management traits, the organizational culture of companies in the Czech Republic is marked by prevailing good planning and organization. The same applies to Poland, where Brewster and Bennett (2010) note that Polish organizations are evaluated more positively than the Portuguese organizations are in the various analytical dimensions of organizational culture (i.e. transparency, hierarchy and teams, market orientation and customer organization, and planning, energy, creativity, and adaptability; cross-cultural orientation and relational orientation). Specifically, the link with hierarchy is more formal in Poland than in Portugal. This evidence led Bennet and Brewster (2002) and Brewster and Bennett (2010) to suggest that the greater informality found in the organizational culture of Portuguese companies can explain the evidence of less planning and organization, and less transparency in its management in comparison to the sample in countries of central and eastern Europe. The lack of clear leadership strategy results in short-term decisions and lack of planning of Portuguese companies. Top managers are more individualistic than cooperating in thinking and work, characterized the Portuguese managers as predominantly autocratic.

Following this argument, Portuguese literature

(Cunha & Rego, 2008; House et al., 1999; Hofstede, 2001; Jesuino, 2002) suggests that organizational management practices, specifically HRM practices, are influenced by national culture.

The Portuguese organizational model seems to be anchored:

1. in a female culture, i.e. a culture that places greater value on personal relations, quality of life and caring for others and on that is more likely to stress the value of social rewards and less so assertiveness and competition (Hofstede, 1980);
2. with high power distance, i.e. members of organizations of high power distance cultures tend to accept that power should be shared differently as there are inequalities between people in the same organization on the basis of the hierarchical levels occupied. The relationships with superiors are formal. This trend in Portuguese culture explains the low participation of people in decision-making processes (Jesuino, 2002);
3. with high uncertainty avoidance (Hofstede, 1980), and the unpredictability limited by a set of social norms and rules, and;
4. with strong collectivism in the group (Cunha & Rego, 2008; Hofstede, 1980; House et al., 1999), i.e. collectivist cultures there is likely to be a greater preference to work with others or in groups.

Furthermore, the loyalty of individuals to organizations is unquestionable. From the point of view of work, leaders tend to promote institutional practices that encourage and reward workers' loyalty to the organization rather than develop the achievement of individual goals. According to Rego and Cunha (2009), the employment relationship tends to develop in the framework of mutual obligations (i.e. protection in exchange for loyalty).

Hotel Industry and HRM

As stated by Cho et al. (2006), human resource management departments of hotel companies are often criticized for being cost centres. This criticism is raised because results of employee management and outcomes of HRM efforts are difficult to measure. More

recently, some researchers (Cristiani & Peiro, 2015; Davis & Luiz, 2015; Nickson, 2013) have emphasized that some HRM practices have a positive impact on organizational performance (e.g. decreased turnover rates, increased labour productivity, and increased profit margins within the industry).

The hotel industry has become one of the most important service industries in Portugal, where there is a sharply increasing growth in recent years. Furthermore, there is increased competition within this industry in Portugal. This increased competition has forced hotel units to create strategies to retain current clients and to attract new clients.

In line with these arguments, improving quality service through increased employee performance is the solution for this industry to remain competitive (Tsaour & Lin, 2004). Many researchers (e.g. Clark, 2005; Siebern-Thomas, 2005) say that job quality affects employees' job satisfaction and well-being and, consequently, affects organizational performance. Considering that job quality is related to pay, job security, career opportunities, job variety, job autonomy, stress, physical effort, co-worker relationships (Adler & Adler, 2004; Green, Kler, & Leeves, 2010; Handel, 2005; Knox, Warhurst, Nickson, & Dutton, 2014), the HRM function has an important role in hotel unit industry because there are low paying, low-skilled, and poor training and career opportunities (Baum, 2007; Knox, 2010; Vanselow, Warhurst, Bernhardt, & Dresser, 2010). Nevertheless, HR scholars and practitioners (Khatri, 2000; Mourison, 1996; Tsaour & Lin, 2004) suggest that HRM practices may create more job satisfaction among employees. This satisfaction may have a positive impact on service quality (Tsaour & Lin, 2004). For example, at the four hotel units identified among the 100 Portuguese best places to work in 2014, all the reasons for this classification are related to HRM practices ('100 Melhores empresas para trabalhar,' 2015): good benefits packages, work-life balance practices, training and development, and rewarding the best performance.

As concluded by Cho et al. (2006), the emphasis of human resources on improving organizational performance has become stronger, not only because human resources cannot be easily imitated by competitors,

but because they provide an effective and rapid response to market demands. Thus, organizations and managers in the hotel industry face real challenges in recruiting, developing, and maintaining a committed, competent, well-managed, and well-motivated workforce that is focused on offering high quality (Nickson, 2013). Furthermore, human potential is increasingly recognized as an essential asset for organizations. For this reason, current and future organizations must assign an essential role to HR managers (Alis, Horts, Chevalier, Fabi, & Peretti, 2012), in particular those where employees are to be mobilized to ensure cooperation, dynamism and personal commitment in order to handle the new demands of an increasingly competitive market. As referred to by Nickson (2013), organizations and managers in the tourism and hospitality industry face real challenges in recruiting, developing and maintaining a committed, competent, well-managed and well-motivated workforce that is focused on offering a high-quality 'product' to the increasingly demanding and discerning customer. In contrast, having briefly considered the nature of the hospitality and tourism industry and the characteristics of its workforce, attention now turns to understanding HRM and the increasingly important role it is felt to play in organizational success (e.g. more quality service and more competitive advantage). Thus, the HRM role will be aimed at securing high-quality service; for example, HRM practices have an important role to play in developing capabilities that enable change toward achieving sustainability and environment-related goals, ultimately helping organizations achieve long-term competitive advantage (Noe, Hollenbeck, Gerhart, & Wright, 2012). Particularly, some HRM practices may be effective at encouraging pro-environmental behaviour in their staff (Zibarras & Coan, 2015). Low pay and a lack of career structure and benefits are identified as the main reasons for changing employment (Nickson, 2013).

Underlying this debate, the connection between HRM practices and quality service motivates this study. Therefore, this study attempts to explore the importance of various HRM practices on organizational performance in the Portuguese hotel industry from the HR managers' perspective.

Given the great importance of HRM on organizational performance identified in the reviewed literature, the main focus of this study is to explore the role of this function at present and the future of the Portuguese hotel industry, from the point of view of the HR managers of the hotel units included in our study. Bearing in mind the specifics of the organizational culture and the management practices of Portuguese hotel units, we think that there are some idiosyncrasies, which are examined in our study as described below.

Methodology

Participants

All the participants in our study were human resource managers in hotels in Portugal. Twelve participants were interviewed during December 2014. The interview inquired about their experiences in human resources management departments in hotels in order to understand the future trend of human capital in the tourism industry. The questionnaire asked for information to characterize the sample: age, gender, marital status, function and number of years working in the function.

The participants' mean age was 41.34 years ($SD = 9.23$), six (50%) were female and six (50%) were male. Regarding their marital status, eight (66.7%) were married, and four (33.3%) were single. All the participants were human resource directors in their hotel units; they were undergraduates in tourism and have worked there for a mean of 8.9 years ($SD = 4.3$).

Procedure

The participants signed their informed consent forms for inclusion in the study and for the audiotaping of the interviews. The questionnaires were completed before the interview. The interviews took place at the hotel units. All interviews, which lasted between 20 to 70 min, were audiotaped and transcribed verbatim. The interview schedule included several open-ended questions:

- What will the ideal profile of the future employee in the tourism industry be?
- Which competencies should an employee in hotel units have?

- What technical competencies are valued in this area?
- What social/behavioural competencies are valued?
- Can you analyse the skills required today and those that will be expected in the near future?
- What changes do you think will occur in the recruitment and selection of candidates for the tourism sector?
- What is the importance of training?
- How do you characterize career management?
- How do you define the career plans?
- What are the challenges to career management in this sector?
- Which training areas do you promote?
- How will the influence of human resources practices in the management of Portuguese hotels units be, specifically in career management and in the retention of employees?
- What will the role of Human Resources Management in Portuguese hotels unit be in the future?

Data Interpretation and Analysis

Interview data were analysed using the thematic analysis method, the basic premise of which is that the comprehension of phenomena must emerge from the data rather than from preconceived notions formulated by the researcher. This must go beyond a purely descriptive account to a theoretical formulation of the phenomenon under research. The data collection and analysis were deliberately interweaved, i.e. theoretical sampling, so that subsequent questions could be revised to reflect and check the emergent categories. Theoretical saturation was used to compose the sampling.

The interviews were transcribed verbatim and analysed with NVivo 10.0 software according to the constant comparative method. Following these guidelines, the first step of the analysis was open coding. Data were examined to identify the participants' descriptions of thought patterns, feelings, and actions related to the themes mentioned in the interviews.

The codes were formulated in words closely resembling those used by the participants. This was an attempt to maintain the semantics of the data. Codes were compared to verify their descriptive content and confirm that they were grounded in the data. In the second step, the codes were sorted into categories. This was done by constant comparisons between categories, and between categories, codes, and interview protocols. Data collected at later stages in the study were used to add, elaborate, and saturate the codes and categories. The steps of analysis were not strictly sequential; rather, we moved forward and backward, constantly re-examining data, codes, and categories.

Core categories were identified, allowing the connecting of all concepts together and unifying them, thus enabling understanding of the phenomena. To ensure the validity of the analysis and the coding process, a second researcher was consulted as an auditor (an independent researcher to discuss and validate the categories) throughout the entire data analysis process to assist the primary author by challenging ideas and assisting in the construction of the categories.

Results

In order to understand the perceptions of the HRM directors of the hotel units on the future trends of human capital management in tourism, semi-structured interviews were conducted. The main results are presented in Table 1. The analysis of these interviews revealed the following integrative categories: Future Professional Profile for hotel units; Role of HRM Practices in hotel units; and the Future Role of HRM in the tourism industry. A more elaborate description of the results is presented in the rest of this section with participants' transcriptions to illustrate and facilitate understanding.

The ideal profile of the future collaborator in hotel units includes the requirements and skills for the professional activity in this industry. Concerning the category requirements, several qualities that aim to develop human ability as well as its customer orientation emerge: specifically, the professional ability of storytelling and creating memories for the client. Regarding the behavioural dimension, features such as being professional, friendly, humble, affable, available, orga-

Table 1 Core Categories and Subcategories

Core categories	Subcategories
Future Professional Profile	Ideal Profile (Requirements & Skills)
Role of HRM practices	Recruitment & Selection Compensation & Benefits Training Career Development
Future role of HRM	Paper Retention of Workers Sector's competitiveness

nized, punctual, diligent, a good communicator, sociable, adaptable, helpful, and flexible emerge. In contrast, the language domain is presented as a prerequisite and transculturality as a valuable dimension. As an example, the following statements were made: 'It is essential that the professional has the ability to tell stories, to create memories. In our days the customers are demanding and prefer places that create good feelings, remember it in a positive and enjoyable way' (L), and 'We value customer orientation, always focus on the customer, anticipate their needs, be friendly, sociable, adapt to situations' (C).

The skills displayed by these professionals are defined by the area in which the employee exercises his activity. However, in order to analyse them comprehensively, skills such as initiative, proactivity, responsibility, dynamism, suitability and seriousness of the employee emerge, as evidenced by the statement, 'In this area, professionals need to be serious people, they have to be able to propose [actions], take responsibility and – very important – it has to be a dynamic person who does and who is not waiting' (A).

Within the skills, naturally, more technical and social-behavioural issues emerge. In the technical dimension, professional qualifications are valued, with special emphasis on the importance of having a bachelor's or master's degree in the field, as well as the perceived prestige of the school where the training was acquired. As an illustration: 'It is very important to have technical skills, know-how. In this area, the requirements of each activity are completely different. The

professionals have to know about their professional area and in Portugal there are already good schools in tourism' (I), and 'Nowadays there is an increasing value for people who have a bachelor's or master's degree in the area, a good school that is, the certification has to be proven in this area' (F). At the same time, foreign languages and computer skills are described as essential for this area.

In turn, the social-behavioural dimension emerges from the value given to education, communication skills, and the adaptability, dynamism, and description of the professional. This can be reinforced by statements such as 'The English needs to be as fluent as the Portuguese – the knowledge of more languages is valued' (B), 'The proficiency of languages is very important, sometimes we do interviews in English' (G), and 'In our group, we value communication skills, our client is looking for a discreet professional and a professional that knows how to behave in the situation' (D).

Regarding the role of HRM practices, this emerging category of recruitment and selection, compensation and benefits, training, and career development are cited as major practices in the field of hospitality.

Recruitment and selection are conceptualized in a way similar to what currently happens; major changes are not expected in most situations. However, with the need for globalization, new tools for the application of this practice, in particular with the use of new technologies are emerging, namely interviews by videoconference. Therefore, this scenario requires some changes in the procedures; previously the recruiters used newspapers, according to the function to recruit; currently, the hotel units are beginning to make use of social networks and blogs of various technical specialties as prime locations to find certain professionals: 'The process of recruitment and selection will not change much, much depends on the function for which we intend to recruit [...] we have to look for people in places where they are' (H). 'Now it is beginning to be a more digital time than before; when we intended to recruit we put ads in certain newspapers, now we have to rely on the various social networks, but this also depends on the function' (B).

The category compensation and benefits are char-

acterized by an absence of change with regard to salaries and benefits being established in parallel with other areas of activity due to the economic and financial crisis. However, it is recognized that, particularly in this area, other benefits in addition to the base salary have a major role. These benefits integrate financial dimensions, which are described as being more important. For example, some strategies are presented as prizes for achieving goals and social responsibility measures: these prizes include health insurance, Christmas gifts, free stays/discounts. In contrast, several hotel units recognize the importance of setting goals for the different activities and establish the awards according to customer satisfaction. This could be illustrated with the following quotes: 'The financial rewards from the customers in our hotel unit are very substantial, and this turns out to be a great benefit to all, because in terms of wages there are no major changes' (K); 'In addition to the salary question, there are many other incentives that are important; Christmas parties, discounts for stays, a set of protocols with other entities and which employees can benefit from [...] We do not give more money, but we help people spend less' (J).

Vocational training emerges as a central area in the role of HRM practices in hotel units. This category recognizes the necessity of having employees with basic technical training to be an ongoing practice, technical and behavioural training, contributing to the quality of services. Vocational training is understood as an investment in the future with rapid and high returns. In this sense, it is very important to maintain all technical training as well as the internal communication areas, commitment, shared responsibility, team building, languages, computers, in addition to other obligatory themes according to Portuguese law. For example, 'Vocational training is very important, in addition to those required by law, always bet on the actions that enable the improvement of the soft skills such as languages and more behavioural issues' (A); 'greatly appreciate the technical update, focus on training is essential and gives a great return' (E).

Career development emerges from career management and retention of talent in this area of activity. The career development is mostly zigzag and verti-

cal, recognizing the need to be a solid process, based on individual merit. Thus, the participants recognize the importance of defining career paths. They allow, mould, and create professionals for the real needs of hotel units depending on whether the will of the employees or the employer's will. However, despite the constraints of the sector try to mitigate the sector's seasonality effect by maintaining the active psychological contract establishing promise contracts, investing in the continuous training of people even when they are not working with the hotel units and maintaining the various forms of communication (newspaper, newsletter, etc.).

Although it is recognized that career development is not a controversial matter in this sector, HR managers identify it as a huge challenge that must be improved. For example, 'Career management is very difficult given the enormous seasonality of this professional activity' (J), 'It is not a priority, does not mean that people cannot get in a function and then move to another, that had already happened, but this concern we do not have' (C). In turn, talent retention is not a practice of great importance in hotel units and appears linked to security, peace, and recognition awarded by the organization and the fact that employees are focused on awards for goals and thus remain in organizations. Moreover, this difficulty is due to the huge turnover in the sector or seasonality issues, low commitment to the organizations, and the constant need to seek a more attractive and safe professional situation for employees. For example, 'Turnover in this field of activity is very large, sometimes people want to work here just to have in their curriculum vitae that they have worked on X but here the pressure is too high, and then they cannot stand it' (G).

Finally, the category Future Paper of HRM in the hotel industry emerges from the characterization of this paper, retention of workers, and the sector's competitiveness.

Therefore, in the majority of hotel units participating in this study, HRM is characterized as a central dimension being associated with an operating activity of day-to-day or an area of investment in the development and retention of employees to the extent that operational issues are fundamental to the proper func-

tioning of the organization complemented by investment and recognition of people as a differentiating factor. Thus, we recognize the importance of contributing to employee motivation and HR as a differentiating element of the organization. As an example, 'It is very important to invest in employees, keep them motivated and committed, this is what is expected of the HR function' (E).

In contrast, the most strategic dimension is presented as the future challenge, following future trends, to respond to the constant needs and maintain the internal customer compromised are key elements. Thus, we recognize the need for HRM reconcile the more operational dimension with a more strategic line and facing the business. As an illustration, 'too much time spent on operational tasks, but in the future, it is important to increase the relationship with the business, the HR department has to have a more strategic role in the organization' (F), or 'work is very operational, shifts, vacation, wages but we have begun to value the strategic dimension, we have more meetings with the directors and management, this is the future [...] and I also find it more attractive' (K).

Finally, the competitiveness in the hotel units where people are presented is a key element. On the one hand, competition from other hotels, and requirement of customers, the establishment of partnerships and the need to adopt a global perspective are the most mentioned elements. On the other, the need to meet some specifics of the tourism industry related to shifts, seasonality, investment in technological improvement as well as the weight of the strategic role of HRM. Thus, it is concluded that, in the future, only the more prepared and proactive will survive, 'given the industry characteristics is very important to follow the future trends' (D interview), 'next year we will invest in improving our technology, we partner with a university so we can be more prepared [...] the market will begin to be increasingly selective and in this area there is a huge competition' (B).

Conclusion

Main Findings

The results of this study showed that the competencies and skills required for hotels professionals are

changing as a result of the emergence of new functions for this sector in Portugal (e.g. spa/wellness manager, e-commerce manager, revenue/yield manager, guest relations) and the importance that information technologies are assuming in boosting the sector's economy, and making it more competitive and innovative. HR managers in this study recognize the importance of betting on more qualified HR, with higher education and knowledge of foreign languages (e.g. English, French, German and Spanish), which are the more highly valued requirements and skills.

HRM practices that are being developed seem to be sufficient for the current management of HR. However, these managers are aware of their need to invest in another way to develop these practices. It is important to enjoy the benefits of IT for their development, reducing the time devoted to administrative management in this function. Vocational training is valued, especially for the benefits which give the permanent development of the necessary skills and better performance of its professionals. The focus on career development plans is identified as one of the main challenges for the HR function in helping to minimize the adverse effects of seasonality that are still very present in the sector. Given the constraints of the remuneration policy which characterizes the sector, HR managers are aware of the need to rely more on incentives and productivity bonuses as wage supplements to enhance the satisfaction and the consequent desire to stay in the hotel units. Finally, our results show that, according to HR managers, employees are recognized as key elements of the competitiveness of the hotel unit, not only in response to increasing customer challenges but also to ensure competitiveness to face massive competition. Both are reasons that strategic HR management should be promoted in the future.

Theoretical Implications

This study provides empirical evidence regarding what HRM practices are currently being employed by hotel units to support the professional behaviour of co-workers and quality service in hotel units. However, our findings also show that Portuguese hotel units are not using HRM practices to a great extent as considered by Zibarras and Coan (2015). Thus, the findings

appear to highlight a gap between research and practice. Furthermore, the changing role of HR practitioners from an administrative to a more strategic role could in the future, most probably, explain a major growth of the importance of this field of hotel units as we found on previous literature in other countries (e.g. Bartram & Rimmer, 2011; Gillon, Braganza, Williams, & McCauley-Smith, 2014; Mamman & Kulaiby, 2014). Like Tsaur and Lin (2004), we propose that when employees perceive their organization as one that has invested in HRM functions and activities such as recruitment and selection, training and career development, compensation, performance appraisal, and so on, they are then enabled to do the organization's main work of serving customers, and they stay more satisfaction and increase their desire to remain. This underscores the importance of HRM researchers gives more attention for results obtained on the development of HRM practices in this sector. For example, our findings are consistent with the study by Cho et al. (2006) that showed that when the hotels develop HRM practices, the hotel will experience high profit and low turnover rate of their employees. As referred to Cristiani and Peiró (2015), the HR function or department increases their organizational value and status when it recognizes HRM practices as sources of competitive advantage.

Another finding in our study seems to be related to the high retention of workers within this industry. This differs with studies in others countries, perhaps because the HRM function is influenced by Portuguese society and organizational culture.

In Portuguese hotel units, a 'paternalistic' organizational culture prevails (Hofstede, 2001), one that guarantees job security by promoting, in turn, an adversarial attitude to risk. It is possible that the adoption of this type of culture can help to understand the greater tendency of the employees of the Portuguese tourism industry to remain in their function in comparison to the turnover rates found in this sector in the US, where the high turnover rate is one of the most important issues in the tourism industry, which may range from 35% to 115% (Cho et al., 2006). In contrast, we believe that the differences found in the Portuguese hotel industry may be explained by the economic-financial sit-

uation affecting the local economy during the previous three years, which may also explain this need for reduced investment in HR, particularly in this sector, which is needed to rationalize all cost to guarantee national and international competitiveness.

Practical Implications

Our data suggest that there is not a great deal of concern regarding human resources management within Portuguese hotel units. This evidence can be explained because at the majority of hotels in our sample there is not an HR manager with specific qualification in human resource management. As suggested by Martins, Silva, and Costa (2014), for becoming a business partner, the HR responsible will need to make his abilities wider and cross-functional (Coetzer & Sitlington, 2014). The elevation of these HRM competences, in order to become better people managers, and the development of excellence of those talents that compose the HR teams will allow the HRM role as a business partner to be unquestionable (Reilly & Williams, 2012). Particularly in the Portuguese context, the lack of specific qualification in HRM accentuates the reactive and administrative role of the HR function, coping with an under-valued status inside the company until the mid-1990s (Cunha et al., 2010); previously, such functions had been handled by professionals with qualifications in Psychology, Sociology and Law. With the beginning of the first degrees in HRM in Portugal, the HR function seems to be gradually growing in importance in the Portuguese organisations since the beginnings of the 21st century (Martins et al., 2014). Furthermore, this study is expected to be helpful to the managers of the hotel organizations in planning and executing HRM practices as well as knowing the importance of HRM for the satisfaction of workers or their desire to remain within the organization. Additionally, this study might encourage other hotel organizations to introduce similar practices.

Limitations and Suggestions for Future Research

The study has some limitations that should be considered when interpreting the findings. Those limitations, in turn, result in possibilities for further studies.

Firstly, the approach adopted (case study and in-depth interviews) precludes the generalization of the findings. Future studies should include more Portuguese hotel units.

Secondly, the human resource management role and the dimension of the hotel can help to explain some of the specific aspects found in these Portuguese hotels compared to other countries. For example, the fact that there is not any multinational hotel in our sample can help to explain the important role of HRM found in previous studies (e.g. Bartram & Rimmer, 2011; Gillon et al., 2014; Mamman & Kulaiby, 2014) that was not replicated in the hotel units involved in this research.

Thirdly, the co-workers' perspective about HRM has not been exploited, so future studies could analyse how the HRM role influences the behaviour, performance, satisfaction and, consequently, his/her wish to remain with or leave the hotel.

References

- Adler, P., & Adler, P. (2004). *Paradise laborers*. Ithaca, NY: Cornell University Press.
- Alis, D., Horts, C.-H., Chevalier, F., Fabi, B. & Peretti, J.-M. (2012). *Gestão de recursos humanos: Uma abordagem internacional*. Lisbon, Portugal: Edições Piaget.
- Barbosa, A. (2005). Relações de trabalho e recursos humanos em busca de identidade. *RAE – Revista de Administração de Empresas*, 45, 121–126.
- Bartram, T., & Rimmer, M. (2011). Editors' note: How mature is Australian HR? *Asia Pacific Journal of Human Resources*, 49(1), 3–8.
- Baum, T. (2007). Human resources in tourism: Still waiting for change. *Tourism Management*, 28(6), 1383–1399.
- Bennett, C. V., & Brewster, C. (2002). *Can Portuguese management compete?* Lisbon, Portugal: Ad Capita International Search; Cranfield, England: Cranfield School of Management.
- Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employees: Key to retention. *Employee Relations*, 29(6), 640–663.
- Bilhim, J. (2009). *Gestão estratégica de recursos humanos* (4th ed.). Lisbon, Portugal: Universidade Técnica de Lisboa, Instituto Superior de Ciências Sociais e Políticas.
- Bitner, M. J., Booms, B. H., & Tetreault, M. S. (1990). The service encounter: Diagnosing favorable and unfavorable incidents. *Journal of Marketing*, 54(1), 71–84.

- Brewster, C. & Bennett, C. V. (2010). Perceptions of business cultures in Eastern Europe and their implications for international HRM. *The International Journal of Human Resource Management*, 21(14), 2568–2588.
- Brewster, C., Mayrhofer, W., & Morley, M. (2004). *Human resource management in Europe: Evidence of convergence?* London, England: Butterworth-Heinemann.
- Budhwar, P. (2009). Managing human resources in India. In J. Storey, P. Wright, & D. Ulrich (Eds.), *The Routledge companion to strategic human resource management* (pp. 435–446). London, England: Routledge.
- Budhwar, P. S., & Khatri, N. (2001). A comparative study of HR practices in Britain and India. *The International Journal of Human Resource Management*, 12(5), 800–826.
- Budhwar, P., & Varma, A. (2010). Emerging patterns of HRM in the new Indian economic environment. *Human Resource Management*, 49(3), 345–351.
- Chang, S., Gong, Y., & Shum, C. (2011). Promoting innovation in hospitality companies through human resource management practices. *International Journal of Hospitality Management*, 30(4), 812–818.
- Cho, S., Woods, R. H., Jang, S., & Erdem, M. (2006). Measuring the impact of human resource management practices on hospitality firms' performances. *Hospitality Management*, 25(2), 262–277.
- Clark, A. (2005). What makes a good job? Evidence from OECD countries. In S. Bazen, C. Lucifora, & W. Salverda (Eds.), *Job quality and employer behaviour* (pp. 11–30). New York, NY: Palgrave Macmillan.
- Coetzer, A., & Sitlington, H. (2014). What knowledge, skills and attitudes should strategic HRM students acquire? A Delphi study. *Asia Pacific Journal of Human Resources*, 52(2), 155–172.
- Cooke, F. L., & Saini, D. S. (2010). (How) does the HR strategy support an innovation oriented business strategy? An investigation of institutional context and organizational practices in Indian firms. *Human Resource Management*, 49(3), 377–400.
- Cristiani, A., & Peiro, J. M. (2015). Human resource function strategic role and trade unions: Exploring their impact on human resource management practices in Uruguayan firms. *The International Journal of Human Resource Management*, 26(3), 381–400.
- Cunha, M. P., & Rego, A. (2008). Culture and management in Portugal: From the empire to the union. In E. Davel, J.-P. Dupuis, & J.-F. Chanlat (Eds.), *Gestion en contexte interculturel: Approches, problématiques, pratiques et plongées*. Québec, Canada: Presse de l'Université Laval et Télé-Université (UQAM).
- Datta, D., Guthrie, J., & Wright, P. (2003). *HRM and firm productivity: Does industry matter?* (Working Paper 03-02). Ithaca, NY: Cornell University.
- Davis, D. N., & Luiz, J. M. (2015). The devolution of the human resources function in South African multinational companies. *The International Journal of Human Resource Management*, 26(21), 2763–2785.
- Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configuration performance predictions. *Academy of Management Journal*, 39(4), 802–835.
- Dibben, P., Brewster, C., Brookes, M., Cunha, R., Webster, E., & Wood, G. (2016). Institutional legacies and HRM: Similarities and differences in HRM practices in Portugal and Mozambique. *The International Journal of Human Resource Management*. Advance online publication. doi:10.1080/09585192.2016.1164225
- Gillon, A. C., Braganza, A., Williams, S., & McCauley-Smith, C. (2014). Organisation development in HRM: A longitudinal study contrasting evolutionary trends between the UK and USA. *The International Journal of Human Resource Management*, 25(7), 1002–1023.
- Gomes, E., Sahadev, S., Glaister, A. J., & Demirbag, M. (2014). A comparison of international HRM practices by Indian and European MNEs: Evidence from Africa. *The International Journal of Human Resource Management*, 26(21), 2676–2700.
- Green, F., Kler, P., & Leeves, G. (2010). Flexible contract workers in inferior jobs: Reappraising the evidence. *British Journal of Industrial Relations*, 48(3), 605–629.
- Handel, M. (2005). Trends in perceived job quality, 1989 to 1998. *Work and Occupations*, 32(1), 66–94.
- Hartline, M. D., & Ferrell, O. C. (1996). The management of customer-contact service employees: An empirical investigation. *Journal of Marketing*, 60(4), 52–70.
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage Publications.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Horwitz, F. M. (2012). Evolving human resource management in Southern African multinational firms: Towards an Afro-Asian nexus. *The International Journal of Human Resource Management*, 23(14), 2938–2958.
- Horwitz, F. M. (2013). Human resource management in Southern African multinational firms: Considering an Afro-Asian nexus. In A. Kahindi, K. Kamoche, A. Chi-

- zema, & K. Mellahi (Eds.), *Effective people management in Africa* (pp. 126–151). Basingstoke, England: Palgrave.
- Horwitz, F. M., & Smith, D. A. (1998). Flexible work practices and human resource management: A comparison of South African and foreign-owned companies. *The International Journal of Human Resource Management*, 9(4), 590–607.
- House, R. J., Hanges, P. J., Ruiz-Quintanilla, S. A., Dorfman, P. W., Javidan, M., Dickson, M., & Gupta, V. (1999). Cultural influences on leadership and organizations: Project GLOBE. In W. Mobley, M. J. Gessner, & V. Arnold (Eds.), *Advances in global leadership* (Vol. 1, pp. 171–233). Stamford, CT: JAI Press.
- Huselid, M. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635–672.
- Huselid, M. A., & Becker, B. E. (1996). Methodological issues in cross-sectional and panel estimates of the human resources-firm performance link. *Industrial Relations*, 35(3), 400–422.
- Jesuino, J. C. (2002). Latin Europe cluster: From south to north. *Journal of World Business*, 37(1), 81–89.
- Luthans, F., & Doh, J. P. (2009). *International management: culture, strategy, and behaviour* (7th ed.). New York, NY: McGraw-Hill Irwin.
- Kalleberg, A. L., & Moody, J. W. (1994). Human Resource management and organizational performance. *American Behavioral Scientist*, 37(7), 948–962.
- Kelley, S. W., & Hoffman, K. D. (1997). An investigation of positive affect, prosocial behaviors and service quality. *Journal of Retailing*, 73(3), 407–427.
- Khatri, N. (2000). Management human resource for competitive advantage: A study of companies in Singapore. *The International Journal of Human Resource Management*, 11(2), 336–365.
- Knox, A. (2010). Lost in translation: An analysis of temporary work agency employment in hotels. *Work, Employment and Society*, 24(3), 449–467.
- Knox, A., Warhurst, C., Nickson, D., & Dutton, E. (2014). More than a feeling: Using hotel room attendants to improve understanding of job quality. *The International Journal of Human Resource Management*, 26(12), 1547–1567.
- MacDuffie, J. P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *Industrial and Labor Relations Review*, 48(2), 197–221.
- Mamman, A., & Kulaiby, K. Z. A. (2014). Is Ulrich's model useful in understanding HR practitioners' roles in non-western developing countries? *The International Journal of Human Resource Management*, 25(20), 2811–2836.
- Martins, D., Silva, S., & Costa, E. (2014). El cambio del perfil del profesional de recursos humanos en Portugal. In M. Jesus, C. Baptista, & F. Serra (Eds.), *Perspetivas contemporâneas em recursos humanos e empreendedorismo* (TMS Conference Series 2014, pp. 23–36). Faro, Portugal: Universidade do Algarve.
- Newenham-Kahindi, A. (2013). Managing sustainable development through cross-cultural management: Implications for multinational enterprises in developing countries. In A. Kahindi, K. Kamoche, A. Chizema, & K. Mellahi (Eds.), *Africa* (pp. 152–179). Basingstoke, England: Palgrave.
- Nickson, D. (2013). *Human resource management for the hospitality and tourism industries* (2nd ed.). Oxford, England: Routledge.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2012). *Human resource management: Gaining a competitive advantage* (8th ed.). Maidenhead, England: McGraw-Hill Education.
- Ottenbacher, M., & Harrington, R. J. (2007). The innovation development process of Michelin-starred chefs. *International Journal of Contemporary Hospitality Management*, 19(6), 444–460.
- Prahalad, C. K., & Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*, 68(3), 79–89.
- Rao, S. (2007). Effectiveness of performance management systems: An empirical study in Indian companies. *The International Journal of Human Resource Management*, 18(10), 1812–1840.
- Rego, A., & Cunha, M. P. (2009). *Manual de gestão trans-cultural de recursos humanos*. Lisbon, Portugal: RH Editora.
- Reilly, P., & Williams, T. (2012). *Desenvolvimento estratégico em recursos humanos*. Lisbon, Portugal: Monitor.
- 100 Melhores empresas para trabalhar. (2015, February). *Exame*, no. 370, 31–160.
- Saini, D. S., & Budhwar, P. S. (2008). Managing the human resource in Indian SMEs: The role of indigenous realities. *Journal of World Business*, 43(4), 417–434.
- Siebern-Thomas, F. (2005). Job quality in European labour markets. In S. Brazen, C. Lucifora, & W. Salverda (Eds.), *Job quality and employer behaviour* (pp. 31–66). New York, NY: Palgrave Macmillan.
- Som, A. (2007). What drives adoption of innovative SHRM practices in Indian organizations? *The International Journal of Human Resource Management*, 18(5), 808–828.
- Sparrow, P. R., & Hiltrop, J.-M. (1997). Redefining the field

- of European human resource management: A battle between national mindsets and forces of business transition? *Human Resource Management*, 36(2), 201–219.
- Stalk, G., Evans, P., & Shulman, L., 1992. Competing on capabilities: The new rules of corporate strategy. *Harvard Business Review*, 70(2), 57–69.
- Stumpf, S. A., Doh, J. P., & Tymon, W. G. (2010). The strength of HR practices in India and their effects on employee career success, performance, and potential. *Human Resource Management*, 49(3), 353–375.
- Tsaur, S.-H., & Lin, Y.-C. (2004). Promoting service quality in tourist hotels: The role of HRM practices and service behavior. *Tourism Management*, 25(4), 471–481.
- Turismo de Portugal. (N. d.). *Plano estratégico nacional do turismo: Horizonte 2013–2015*. Retrieved from <http://www.turismodeportugal.pt/Portugu%C3%AAs/turismodeportugal/publicacoes/Documents/PENT%202012.pdf>
- Tüselmann, H.-J., Allen, M. M. C., & McDonald, F. (2014). Vive les différences? Voice in French MNCs' overseas workplaces: A comparative study of voice in French, German and US subsidiaries in the UK. *The International Journal of Human Resource Management*, 26(8), 1152–1168.
- Tymon, W. G., Stumpf, S. A., & Doh, J. P. (2010). Exploring talent management in India: The neglected role of intrinsic rewards. *Journal of World Business*, 45(2), 109–121.
- Vanselow, A., Warhurst, C., Bernhardt, A., & Dresser, L. (2010). Working at the wage floor: Hotel Room attendants and labor market institutions in Europe and the United States. In J. Gautié & J. Schmitt (Eds.), *Low wage work in a wealthy world* (pp. 269–318). New York, NY: Russell Sage Foundation.
- World Travel & Tourism Council. (2012). *The comparative economic impact of travel & tourism*. Retrieved from http://www.wttc.org/-/media/files/reports/benchmark%20reports/the_comparative_economic_impact_of_travel_tourism.pdf
- World Travel & Tourism Council. (2014). *Travel & tourism economic impact 2014: World*. London, England: Author.
- Yan, Y. (2003). A comparative study of human resource management practices in international joint ventures: The impact of national origin. *The International Journal of Human Resource Management*, 14(4), 487–510.
- Youndt, M. A., Snell, S. A., Dean Jr, J. W., & Lepak, D. P. (1996). Human resource management, manufacturing strategy, and firm performance. *Academy of Management Journal*, 39(4), 836–866.
- Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1985). Problems and strategy in service marketing. *Journal of Marketing*, 49(2), 33–46.
- Zibarras, L., & Coan, P. (2015). HRM practices used to promote proenvironmental behavior: A UK survey. *The International Journal of Human Resource Management*, 26(16), 2121–2142.



This paper is published under the terms of the Attribution- NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0) License.