

Impact of HR Practices on Employee's Performance: Case of UK Hotel Industry

¹Vipin Nadda, ²Roya Rahimi, ³Sumesh Dadwal, ⁴Uday Bhan Singh

Department of Tourism, Hospitality and Events
University of Sunderland (London Campus), UK

Department of Marketing, Innovation, Leisure and Enterprise
University of Wolverhampton, UK

Glyndwr University London Campus, UK

ABSTRACT

The research investigates the impacts of human resource practices on employee's performance in the hotel industry context. It focuses on the following HR practices: Compensation policy; Decentralization and self-managed teams; Information sharing; Selective hiring; Training and development and Job security. Primary survey was conducted among the hotel managers in the United Kingdom. The results showed that all the listed HR practices, except the job security, have a positive impact on employees' performance. The Policy of the selective hiring was found to be a key practice that had highest positive impact the performance. Other practices such as the Compensation policy, information sharing, and decentralisation of decision making and extensive training and development were also significant predictors for all the performance variables.

Keywords: HR practices, employee's performance, job security, selective hiring, decentralization, compensation policy, extensive training, information sharing, hotel industry

INTRODUCTION

Trained manpower is considered the highly valuable resources in hospitality industry (Pfeffer, 1998; Wimbush, 2005). The impact of various HR practices on employee's performance has come up as the main research question in HRM sector (Becker and Gerhart 1996; Guest, 1997). Although some investigations do indicate that some human resource practices may have a positive effect on employee's performance ,however the majority of researchers still argue that more conceptual and empirical research is needed in this area (Brewster 2004; Cardon and Stevens 2004; Givord and Maurin 2004; Zhu 2004). As such in fact superior performance in hotel sector could be the outcome of effective utilisation of all available resources, which could offer competitive advantage to the organisation. However empirical evidence confirms that all the HR practices cannot be equally important source of sustained competitive advantage (Guest 1997; Ahmad and Schroeder 2003fc). Thus, there is a need to investigate this gap pertaining to relative effect of various HR practices on Employee performance and then on competitive advantage.

The research is focusing in /hotel Industry because the hotel industry plays increasingly important economic role in most countries, and the industry relies heavily on the skills and abilities of its people to deliver hospitality with safety and quality at competitive prices. The present study addresses a central research question:

- What is the impact of human resource management practices on employee's performance in hotel businesses?

In order to answer this question, a primary survey was carried among hotel managers in the UK; the survey recorded the manager's perceptions on a list of HR practices and their relation to employee's performance. This work will also develop many important implications for managers across hotel industry.

LITERATURE REVIEW

The efficient utilisation of human resources at work place is considered as the key to improved organizational performance (Marchington and Wilkinson 2000).The human resources are obviously more relevant in labour-intensive industry such as hotel sector (Telfer 2001). In this industry in different areas of service delivery such as front office, housekeeping, lobby management, etc., the customer satisfaction is directly related to employee's performance. However certain factors such as technological adoptions,fluctuations in demand pattern, deregulation, competitions, etc., have led to the adoption of relatively flexible employment strategies, flexible labour markets and precarious employment relationships (Atkinson 1984, Golsch 2003). In general, the focus on cost effectiveness, proper control, service responsiveness and enhanced productivity, etc., have been leading to choices of flexible approach of employment in hotel sector (Burgess and Strachan, 1999; Sheridan and Conway, 2001). However the flexible strategies and thus job uncertainties are also negatively impacting employees' morale and job commitment (Marchington and Wilkinson, 2000).

The HR Practices of flexible firm model is an area of interest in this research. To further understand significance of employees in hotel industry this study argues on the basis of resource based view of the organisations (Atkinson 1984, Slack et al. 2004) in the hotel industry. Previous studies have found that by treating and managing employees as resources and assets, any organisation can attain sustained competitive advantage. In such organisations the employee satisfaction is higher and employee turnover is low. The employee turnover has adverse impact on productivity and performance. Various factors that results from HRM practices have been found to influence employee turnover. The factors like recruitment and selection procedures (Wagner, 1991; Bonn and Forbringer, 1992), Orientaion and socialisation process (Kennedy and Berger, 1994); training and development (Hogan, 1992; Conrade et al., 1994); leadership styles (Lee-Ross 1993, Rowdem 1995, Wheelhouse 1989); inequality and discrimination at work (Anotolik, 1993); etc., have been found to influence staff turnover in hospitality industry. The customer satisfaction and CRM have been consistent issues dominating academic and practitioner discourses in hospitality studies and management over the last three decades (Harris and Ogbonna 1999). As employees leave there are fewer opportunities for customers to maintain long term relationships. Several studies have debated the role of the customer as contemporary issues in hospitality industry where the significant role of front-line employees to has been widely acknowledged. The researchers have found argued employee behaviour as a critical

factors that influence the customer service; Hartline and Ferrell 1996; Taylor and Pierce 1999).

Thus in order to examine the effect of some selected HRM practices on employee's performance in hotel sector in the UK (Pfeffer, 1998). This paper examined six main HRM practices:

1. Compensation policy
2. Decentralization and self-managed teams
3. Financial and performance Information sharing Policy
4. Selective hiring Policy
5. Training and development Policy
6. Employment security Policy

Many previous empirical evidences suggest that the six HR practices proposed by Pfeffer (1998) have a significant effect on various settings. For instance, Ahmad and Schroeder (2003) based on Pfeffer (1998), investigated impact of HRM practices, on operations management across countries and industries and found support for Pfeffer's HR practices in order to improve performance. The following sections discuss these six HR practices and thus develop hypotheses pertaining to relationship between six HRM practices and employee's performance in hotel sector.

COMPENSATION POLICY

One of the dominant HR practice has been Performance-based compensation, in hotels. This practice is used in order to evaluate and reward employees' actions (Collins and Clark 2003). Generally there is a consensus that performance-based compensation has a positive effect upon employee and hospitality performance (Brown et al., 2003; Cardon and Stevens 2004). The logic behind this is Vroom's expectancy theory of motivation. Employee motivation, based on perceived expectations, can provide the link between compensation and performance. Expectancy theory posits that pay level will influence employee performance when (a) employees perceive that a relationship exists between their efforts and performance and (b) employees gain specific benefits if they perform well (Ngo et al., 1998). Empirical studies on the relationship between performance based pay and employee's performance have generally found to have a positive relationship in hotel industry too (Delery and Doty (1996). Singh (2005) and Wimbush (2005) suggests that it is not just pay level that matters, but also pay structure. Still, both performances related pay as well as promotion can be considered as dominant factors enhancing individual performance and retention (Uen and Chien 2004). Collins and Clark (2003) studied 73 high-technology hotels and found that the relationships between the HR practices and employee's performance (sales growth and stock growth) were mediated through their top managers' effective networks. Cardon and Stevens (2004) pointed out that compensation is particularly important for small hotels because it affects recruiting and retention efforts. Cho, Woods, Jang and Erdem (2006) suggested that incentive plans are effective in decreasing staff turnover rates. Banker, Lee, Potter and Srinivasan (2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans related to increased revenues, increased profits and decreased cost.

Therefore, first proposed hypothesis is:-

Hypothesis 1: *Compensation policy is positively related to employee's performance in the hotels.*

DECENTRALIZATION AND SELF-MANAGED TEAMS

The role of decentralisations and team has been also studied in past. In hotels like other service sectors, employees are required to work in teams and make joint decisions and to undertake common initiatives in order to meet the objectives of their team and hotel. Effective team working requires professional people skills as well a deep understanding of aptitudes, abilities, temperaments, idiosyncrasies and personal traits of fellow employees (Ahmad and Schroeder 2003). Teamwork and decentralization of decision-making promotes employee participation and commitment (Tata and Prasad 2004). Several studies identified self-managed teams and decentralization as important high-performance HRM practices (Singer and Duvall 2000). Therefore, second proposed hypothesis is:

Hypothesis 2: *Decentralization is positively related to hotel performance.*

INFORMATION SHARING POLICY

Transparency, empowerment and objectivity enhance trust and commitments in the employees. The sharing of information may have a dual effect: First, it conveys to employees the positive meaning that the hotel trusts them. Second, in order to make informed decisions, employees should have access to critical information. Communicating performance data on a routine basis throughout the year help employees to improve and develop. In a study of Japanese consultation committees, Morishima (1991) found a positive association between information sharing and productivity and profitability, and a negative association with labour cost. Regarding information sharing, most of the companies do not want to go for sharing, as they fear either to be passed to the competitors or misused otherwise thus making them vulnerable in the market. (Pfeffer 1998, Rønde 2001). Kiesler and Sproull (1994) pointed out that attitudes about information sharing depend on the form of the information. Burgess (2005) studied employee motivations for knowledge transfer outside their work unit and found that a significant percentage of employees perceived knowledge as a means of achieving upward hospitality mobility. Therefore, third proposed hypothesis is:

Hypothesis 3: *Sharing of information is positively related to hotel performance.*

SELECTIVE HIRING POLICY

Recruitment policy goes in line based resource based views of the employees. The right employees can be real assets that create long term competitive advantage. Thus a right and selective hiring practice can ensure that the right people, with right skills and knowledge, are at the right place, so that they fit in the culture and the climate of the hotel. Moreover, pinpointing the right employees would decrease the cost of employees' education and development. Further, Huselid (1995) argued that hiring the right employees increases the employee productivity and contributes to a reduction in turnover in high performance organisations. However, recruitment is often quite problematic for smaller companies (Cardon and Stevens 2004) due to several reasons such as limited financial and material resources and jobs with unclear boundaries responsibilities, which decreases their potential to hire qualified candidates. Therefore, fourth proposed hypothesis is:

Hypothesis 4: *Selective hiring is positively related to hotel performance.*

TRAINING AND DEVELOPMENT

Motivation requires ability and willingness. Whereas latter can be a challenge of leadership, communications and employees maturity, to the other hand the earlier one-the ability depends upon right kind of training. Training and development may be related to employee's performance in many ways. Firstly it increases employee's specific abilities and skills thus leading to increase in productivity, as well as reducing job dissatisfaction (Huselid 1995). Companies may also assist their employees in career planning to encourage them to take more responsibility for their own development through polishing their skills and knowledge (Doyle 1997). Cardon and Stevens (2004) reviewed training in small hotels and found that their problem lies with unstructured training and informal job, which sometimes do not prove worthwhile. Moreover, Brewster (2004) examined the differences between US and European HR management systems and found that training and development increase significantly from one side of the Atlantic to the other. Storey (2002) examined the relationship between training and hotel performance in middle-sized UK companies and proposed that, in the context of smaller hotels, it is necessary to widen the concept of training through education, training and development. Therefore, fifth proposed hypothesis is:

Hypothesis 5: *The extent of training and development will be positively related to employee's performance.*

JOB SECURITY

Job security decreases employees perception of risk, thus it creates a climate of confidence and trust among employees and reinforces their commitment to the hotel. Job security requires a certain degree of reciprocity: first, a hotel just signals a clear message that jobs are secure; then, employees believing that this is true feel confident and commit themselves to expend extra effort for the hotel's benefit; finally, having learned that job security contributes to its performance, the hotel continues to invest in job security (Pfeffer 1998). With regards to job security, Probst (2002) developed a conceptual model of the antecedents and consequences where antecedents include worker characteristics, job characteristics, hospitality change and job technology change while consequences include psychological health, physical health, hospitality withdrawal, unionization activity, hospitality commitment and job stress. Job involvement, cultural values and procedural justices moderate job security perceptions and attitudes. Further, Buitendach and Witte (2005) assessed the relationship between job insecurity, job satisfaction and commitment in hospitality sector. Job satisfaction was also found to mediate the relationship between job insecurity and effective commitment. However, today's business environments are far from providing job security to their employees. For example, in an analysis of the changes in the risks of involuntary job loss in France between 1982 and 2002, Givord and Maurin (2004) found evidence that changes in the technological environment do make employees insecure thus leading to Staff turnover. Therefore, sixth proposed hypothesis is:

Hypothesis 6: *The presence of job security is positively related to hotel performance.*

METHODOLOGY

The study randomly collected data from a sample of 71 hotels using refined questionnaire post a pilot testing this. The final research instrument was sent to HR Managers of 372 hotels, however had complete response from 71 only thus achieving 19.1% response . The research instrument used a scale of 20 statements that measured six HR practice; Compensation policy, Decentralization and self-managed teams, Information sharing, Selective hiring, Training and development, and Job security on 1 to 5 (1-strongly disagree.. 5 strongly agree).. The instrument was borrowed and adapted from various authors as discussed in concepts developments in the literature section. The development of the scale is detailed in next section.

VALIDITY AND RELIABILITY

In order to determine scale validity first of all face and content validity was established by asking a set of experts about the scale and their closeness to the underlying constructs of the HR policy. The construct validity, number of underling constructs, and additively of the scale was checked using Principal component analysis with varimax rotation with Eigen value of greater than one. The KMO (= 0.53) and Bartlet test($p = 0.031$) respectively indicated that sample is adequate and scale are related as the items matrix is not identity matrix so we scale items can be added (Hutcheson & Sofroniou, 1999 .The output from Principal component and varimax rotation found that around 65% of variance in the Construct of overall HR practices was explained by underlying six factors (compensation policy = 12.6%, decentralization = 17.5%, training & development = 12.2% , information sharing = 8.8%, selective hiring = 8.7%, and job security = 6.1%). Anderson–Rubin Method was used to ensure orthogonality of the estimated factors, to produce factor scores. Those items that had heavy loading greater than 0.5 (hair et al, 1998) were considered to belong to a particular construct or dimension. The findings from factor loading implied that four items explained variance in first component that was named as Compensation policy (see table 2), and similarly other components were identified as; Decentralization and self-managed teams (5 items), Information sharing (2 items), Selective hiring (3 items) , Training and development (4 items), and Job security (2 items). The scale with corresponding items is listed below:

Compensation policy

1. Staff rewarded to reduce turnover
2. Incentives given to boost individual performance
3. Employees selected and paid based on their contribution
4. Employees that care about firm's objectives are rewarded

Decentralization and self-managed teams

5. Decentralized decision making encouraged
6. Teams used to decide about production problems
7. Teams regularly used to perform various task
8. Decisions taken through team consultation
9. Team players encouraged and rewarded

Information sharing

- 10. Employees know well our objectives and strategy
- 11. Staff kept well informed about their performance

Selective hiring

- 12. Consultants used when hiring personnel
- 13. Frequently use pre-recruitment tests
- 14. Personnel preferred who fits organisational culture

Training and development

- 15. Training is a motive for employees to achieve more
- 16. Staff trained and developed systematically
- 17. Training is key skill area
- 18. Staff trained to gain multi skills and abilities

Job security

- 19. Focus on job security
- 20. Employees that perform modestly do not get fired

The scale was tested for reliability using Cronbach alpha. The analysis indicated that all the dimensions (all six policies) had reliable scale items (Cronbach alpha > 0.7, see table 1).

Table 1: Rotated factor loadings for the six HR practices, Eigen values and scale reliability coefficients

	Decentralization	Compensation	Training/development	Information sharing	Selective hiring	Job security
Decentralized decision making	0.864					
Teams decide about production problems	0.845					
Teams perform various task	0.725					
Decisions through team consultation	0.724					
Team players encouraged	0.638	0.551				
Staff rewarded to reduce turnover		0.784				

Incentives to boost individual performance		0.608	0.543			
Employee selected on their contribution		0.583				
Employees care firm's objectives		0.539	0.458			
Training is a motive for employee			0.700			
Staff trained/develop systematically			0.635			
Training is key skill	0.410		0.436			
Staff trained to gain		0.549	0.427			
Employees know objectives /strategy				0.729		
Staff well informed about performance				0.778		
Consultants used hiring personnel					0.747	
Frequently use pre-recruitment tests					0.655	
Personnel who fits culture		0.449			0.476	
Focus on job security						0.814
Employees perform modestly not fired				0.446		0.619
Eigen value	8.220	2.279	1.610	1.394	1.279	1.043
Initial % of variance explained	34.249	9.497	6.709	5.810	5.330	4.347
Rotation sum of squared loadings	4.207	3.040	2.937	2.094	2.067	1.480
Percept of variance explained	17.5	12.6	12.2	8.8	8.7	6.1
Cronbach	0.906	0.757	0.747	0.713	0.756	0.783

ANALYSIS AND FINDINGS

Performance of the Hotel

There is considerable debate in literature regarding metrics of effectiveness of HR practices or organisational effectiveness (Colakoglu, Lepak and Hong 2006). Some studies have used financial indicators like such as ROI Delery and Doty 1996), sales (Batt 2002), or even employee’s performance (Becker and Huselid 1998; Rogers and Wright 1998).however each method has its challenges (Claver, Molina and Tari 2002; Arthur and Cook 2003; Caloghirou et al. 2004). As each organisation has some unique contextually factors so one set of measure may not be generalised to other hotel or organisations. Also the impact of new HR practices on employees’ performance or financial indicators can be felt long after their implementation. Thus an indirect measure of performance based on managers’ perceptions has been used in this research the indicator has six dimensions namely; perceived service quality, perceived production cost, perceived market share, perceived sales, and Overall perceived hotel employees’ performance. Were measured on a Likert’s scale 1 to 5 (1 – low, 5 highest). The reader should consider possible biases in self-reported performances due to agency affects. However the response has a large standard variance thus indicated that response to self-reported performance may not be much biased or inflated (see Table 2)

Table 2. Means, standard deviations and correlation matrix for variables

	<i>Mean</i>	<i>SD</i>	<i>1SL</i>	<i>2PQ</i>	<i>3 PC</i>	<i>4 PMS</i>	<i>5 PS</i>	<i>6 PHP</i>
Control Variables								
1. sales (SL)	2.91	960	1	0.077	0.047	-0.116	-0.265*	0.092
Hotel Performance								
2. Perceived quality (PQ)	3.52	1.04		1	0.559**	0.529**	0.419**	0.528**
3. Perceived cost (PC)	3.55	0.96			1	0.587**	0.429	0.528**
4. Perceived market share (PMS)	3.58	0.96				1		0.398**
5. Perceived sales (PS)	3.59	0.88					1	0.667**
6. Perceived hotel employees’ performance (PHEP)	3.69	0.87						1
HR Practice variables								
7. Compensation (CP)			0.005	0.193	0.419**	0.105	0.284*	0.271*
8. Decentralisation (DC)			-0.046	0.112	0.232	0.265*	0.328**	0.323**

9. information sharing(IS)			-0.023	0.145	0.128	0.510**	0.252*	0.233*
10. selective hiring (SH)			0.077	0.480**	0.337**	0.274*	0.241	0.346**
11. training/ develop (Td)			-0.166	0.259*	-0.033	0.063	0.282*	0.345**
12. job security (JS)			-0.171	-0.112	0.173	0.106	-0.016	-0.009

Note: **correlation is significant at 0.001 level ; *correlation is significant at 0.01 levels

Since the HR practices variables are factor scores, produced by the Anderson-Rubin method, the score produced have a Mean-0, SD-1 are uncorrelated, the co-relation with each other are .00 are not included in this table.

Further, as both independent variables (6 HR practices) and dependent variables (performance) were self-reported and in same survey , there are chances of problem of common method variance and this should be addressed before interpreting results (Podsakoff et al. 2003). In this research, Harmon’s factor test was used to examine whether or not there have been problems of common methods variance such that the independent variables and dependant variables inflates the empirical relationships among them. A large degree of common method variance is indicated, if Harmon’s test reveals only one factor analysis. However in this study when Harman’s test was applied to six practices and performance indicators, the result has seven distinct factors (first has only 18.47% variance and others still lower) thus indicating that there is negligible degree of common method variance problem. Hence it can be concluded that the common method variance is unlikely to bias this sample and so. As previously stated arguments, it is concluded that the expert opinions of HR managers would be valid and appropriate indicator for this kind of study.

Relationship between HR Practices and Hotel’s Performance

The following sections discuss results from Univariate analysis and hierarchical multiple regression analysis, thus assessing the effect of HR practices on hotel performance variables.

Univariate Analysis

The results from Pearson’s correlation analysis evidenced negligible correlation between control variables (sales and number of full-time employees) either with perceived performance variables (product quality, production cost, market share, perceived sales, perceived employee’s performance in the hotel) or with any of six HR practice (see Table 2) . However there was significant and mild to moderate relationship between perceived performance and each of six HR practices ($P < 0.05$). The correlations coefficient of overall performance with HR practices indicated that the policy of selective hiring has highest and significant correlation with perceived hotel employees’ performance ($r = 0.346, p < 0.001$), and is followed by training & develop ($r = 0.345, p < 0.001$), .decentralisation ($r = 0.323, p < 0.001$), compensation($r = 0.271, p < 0.01$), and

information sharing. ($r = 0.233, p < 0.01$). But job security has no relationship with either overall performance or its six components ($p > 0.05$).

At component levels of performance, the results show that the compensation policy had significant positive correlations with Perceived cost ($r = 0.419, p < 0.001$), Perceived sales ($r = 0.284, p < 0.001$), perceived hotel employees' performance ($r = 0.271, p < 0.001$) in that decreasing order, but have no significant relationship other performance indicators. Also policy of decentralization has significant and mild relationship with perceived sales ($r = 0.328, p < 0.001$), perceived hotel employees' performance ($r = 0.323, p < 0.001$) and perceived market share ($r = 0.265, p < 0.01$). The policy of information shearing has significant and moderate relationship with .Perceived market share ($r = 0.510, p < 0.001$), but mild relationship with Perceived sales($r = 0.252, p < 0.01$) and perceived hotel employees' performance ($r = 0.233, p < 0.01$). It is found that the policy of selective hiring has significant relation with all the components of perceived hotel employees' performance; Perceived quality ($r = 0.480, p < 0.001$) perceived hotel employees' performance ($r = 0.346, p < 0.001$) and milder relations with , Perceived cost ($r = 0.337, p < 0.001$) , Perceived market share ($r = 0.274, p < 0.01$) and perceived sales ($r = 0.241, p < 0.01$) , Training and development policy is found to relate significantly with perceived hotel employees' performance ($r = 0.346, p < 0.001$), perceived sales ($r = 0.282, p < 0.01$) and Perceived quality ($r = 0.259, p < 0.01$) and no relations with Perceived cost and Perceived market share. Surprisingly the policy of job security has no significance relationship with any of indicators of perceived performance. In order to determine relative impact of all six HR policies on the Performance regression analysis has been undertaken, the results are provided in subsequent section.

The Impact of Six Policies on Perceived Performance Indicators using Hierarchical Regression

Hierarchical multiple regression analysis was conducted to determine the best linear combination of HR practices for predicting employee's performance. Variables were entered in three steps. Initially, the control variable (hotel size) was entered in Step 1 of the regression equation. Based on the resource-based view, HR practices will be a competitive advantage if they are difficult to emulate. Similarly, large hotels may have a resource advantages over smaller hotels. Therefore, hotel size was included as a control variable, measured by the number of employees. In Step 2, five HR practices (perceived product quality, perceived cost, perceived market share, perceived sales, and perceived employee's performance in the hotel) were entered into the regression equations. Finally, in Step 3, ten interactions of the five factors into the regression equations were entered. Tolerance tests showed no significant co-linearity among variables. Five measures of employee's performance in hotel were used perceived quality improvement, perceived cost reductions, perceived increase of hotel's market share, perceived overall of sales, and perceived improvement of overall employee's performance in the hotel. The results are reported in detail in Table 4.

Table 4. Hierarchical regression results of HR practices on five performance measures

Step 1 (control) step 2 (HRP) step 3 (interaction) step 1(control) step 2 (HRP) step 3 (interaction)

Control variable	0.07	0.53	-0.0	-0.1	-0.0	-0.4	0.05	0.41	-0.0	-0.4	-0.0	-0.0	-0.3
1. Hotel size													
HR Practices													
7. Compensation		0.02	1.82*	0.18	1.32	3.95***	0.42	0.23	0.13	2.18*	0.35	0.39	3.10**
8. Decentralisation		0.12	1.10	0.24	1.75*	1.24	0.13	0.35	0.29	3.22**	0.43	0.29	2.77**
3. Information sharing		0.15	1.42	0.24	1.90*	3.78***	0.35	0.35	0.43	3.22**	0.43	0.29	2.54*
4. Selective hiring		0.47	4.16***	0.46	3.78***	1.10	0.17	0.17	0.17	1.10	-0.0	-0.0	3.71***
5. Training/ develop		0.19	1.75*	0.17	1.10	-0.4	-0.0	-0.0	-0.0	-0.4	-0.0	-0.0	-0.4
Interactions													
1. Compensation policy* decentralisation				-0.1	-1.0						-0.1	-0.1	-1.1
2. Compensation policy*information sharing				-0.2	-1.9*						-0.1	-0.1	-1.0
3. Compensation policy*selective hiring				0.01	0.10						-0.0	-0.0	0.5
4. Compensation policy* training/ develop				-0.1	-1.0						-0.2	-0.2	-1.8*
5. Decentralisation *information sharing				-0.2	-1.4						-0.1	-0.1	-0.7
6. Decentralisation * selective hiring				0.15	1.10						0.12	0.12	0.93

7. Decentralisation * training/ develop				0.04	0.28					0.24	1.63
8. Information sharing * selective hiring			0.17	1.31						0.24	2.13*
9. Information sharing * training/ develop			-0.0	-0.0	0.03					-0.1	-1.0
10. Selective hiring* training/ develop			0.00	0.03						0.27	2.22*
F	.290	4.865***		2.7**	.173					5.40***	3.6***
Adjusted R square	-.012	.282		.321	-.014					.302	.409
Change in Adjusted R square	.005	.350***		.150	.003					.365***	.193*

Perceived Market share

step 1(control)

step 2 (HRP)

step 3 (interaction)

Control variable	step 2 (HRP)		step 3 (interaction)				
1. Hotel size		0.02	0.13	-0.0	-0.4	-0.0	-0.0
HR Practices							
7. Compensation			0.10	1.02	0.20	1.63	
8. Decentralisation			0.27	2.66**	0.19	1.53	
3. Information sharing			0.51	5.05***	0.51	4.59***	
4. Selective hiring			0.26	2.58*	0.25	2.30*	
5. Training/ develop			0.07	0.04	0.14	1.17	
Interactions							

Contd...

1. Compensation policy* decentralisation					0.03	0.25
2. Compensation policy* information sharing					-0.2	-1.6
3. Compensation policy* selective hiring					0.00	0.06
4. Compensation policy* training/ develop					-0.0	-0.6
5. Decentralisation * information sharing					-0.4	-3.2**
6. Decentralisation * selective hiring					0.05	0.43
7. Decentralisation * training/ develop					0.09	0.63
8. Information sharing * selective hiring					0.06	0.59
9. Information sharing * training/ develop					-0.1	-1.3
10. Selective hiring* training/ develop					-0.1	1.45
F	.030			6.8***	1.07***	
Adjusted R square	-.016			.363	.446	
Change in Adjusted R square	.000			.425***	.165*	

Perceived sales step 1 (control) step 2 (HRP) step 3 (interaction)

Control variable	-0.1	-1.4	-0.2	-2.3*	-0.2	-2.3*
1. Hotel size						-2.3*
HR Practices						
7. Compensation			0.29	3.00**	0.29	2.30*
8. Decentralisation			0.35	3.53***	0.30	2.86**
3. Information sharing			0.25	2.53*	0.24	2.09*

Contd...

4. Selective hiring			0.26	2.00*	0.24	2.08*
5. Training/ develop			0.29	2.58**	0.22	1.33*
Interactions						
1. Compensation policy* decentralisation					-0.1	-0.9
2. Compensation policy*information sharing					0.09	0.30
3. Compensation policy* selective hiring					0.18	1.43
4. Compensation policy* training/ develop					0.09	0.30
5. Decentralisation *information sharing					0.21	1.53
6. Decentralisation * selective hiring					-0.0	-0.5
7. Decentralisation * training/ develop					-0.0	-0.3
8. Information sharing * selective hiring					-0.1	-1.4
9. Information sharing * training/ develop					0.12	0.85
10. Selective hiring* training/ develop					-0.0	-0.5
F	1.993		3.84***		3.434***	
Adjusted R square	.016		.402		.394	
Change in Adjusted R square	.002		429***		.091	

Perceived employee's performance in the hotel

step 1 (control)	Step 2 (HRP)			step3(interaction)		
	Control variable					
1. Hotel size	0.01	0.11	-0.0	-0.5	-0.0	-0.8
HR Practices						
7. Compensation			0.29	2.85**	0.14	1.13

Contd...

8. Decentralisation			0.33	3.55**	0.41	2.15**
3. Information sharing			0.23	2.43**	0.18	1.57**
4. Selective hiring			0.34	3.49***	0.36	3.08*
5. Training/ develop			0.33	3.39**	0.33	3.64
Interactions						
1. Compensation policy* decentralisation					-0.1	-1.3
2. Compensation policy* information sharing					0.14	1.05
3. Compensation policy* selective hiring						
4. Compensation policy* training/ develop					-0.1	-0.9
5. Decentralisation * information sharing					0.19	1.30
6. Decentralisation * selective hiring					-0.0	-0.3
7. Decentralisation * training/ develop					0.09	0.61
8. Information sharing * selective hiring					0.00	0.02
9. Information sharing * training/ develop					0.19	1.18
10. Selective hiring* training/ develop					-0.0	-0.6
F	.013		8.295***		3.451***	
Adjusted R square			.418		.391	
Change in Adjusted R square			.000		.076	

Note-First row figure is beta –coefficient, while second row is t-test*p < 0.1**p < 0.01

***p<0.001

The combination of HR practices in Step 2 significantly predicted employee's performance in the hotel, F-value 8.292, p, 0.001, with all five variables significantly contributing to the prediction. The beta weights, presented in Table 5, suggest that selective hiring, training and development and decentralization, contribute most to predicting perceived overall employee's performance in the hotel. The change in adjusted R square value was 0.475, p, 0.001. This indicates that 47.5% of the variance of employee's performance was explained by the model. According to Cohen (1988) this is a large effect. For most measures of employee's performance, HR practices showed a significant effect. More specifically, in Step 2, the changes in adjusted R square value were: for perceived quality R² value 0.350, p, 0.001 (F-Value 4.865, p, .001), for perceived cost R² 0.368, p, 0.001 (F-Value 5.404, p, 0.001), for perceived market share R².426, p, 0.001 (F-Value 6.806, 91 p, 0.001) and for perceived sales R² ¼ .429, p, 0.001 (F-Value 7.847, p, 0.001). Selective hiring and compensation policy were significant predictors for all dependant variables, thus supporting hypotheses 1 and 4. In Step 3, the ten interactions of the five HR practices had a moderate effect only on the perceived cost (F-Value 3.639, p, 0.001 change in adjusted R square 0.193, p, 0.1) and the perceived market share (F-Value 4.072, p, 0.001 change in adjusted R square 0.165, p, 0.1).

CONCLUSION

The primary purpose of this study was to evaluate the impact of HR practices on employee's performance in the hospitality industry. Based on Pfeffer (1998), It was hypothesized that the following practices are related to hotel performance: (1) Compensation policy; (2) Decentralization and self-managed teams; (3) Information sharing; (4) Selective hiring; (5) Training and development; and (6) Job security. There was found overall support for all hypotheses except hypothesis 6 on the effect of job security. The results indicated that, although each of HR practices was significantly correlated with hospitality performance, selective hiring and compensation policy were significant predictors for all performance variables, adding to the understanding of the factors leading to improving employee's performance in the hotel sector. This study contributes to both the HR practices and hotel-performance literatures in a number of ways. The first (and rather obvious) implication that can be derived from the evidence found that HR practices are related to employee's performance in the hotel, a finding consistent with a variety of extant theories and studies. Hence, hotel performance depends on human capital: selecting, developing and rewarding the best people as well as revealing to them critical hotel information in order to make informed decisions which they are authorized to take. Results supported the hypothesis that selective hiring is positively related to hotel performance. Prior research suggested the practice of selective hiring results at sales growth (Collins 2003) and creates profits (Michie and Sheehan-Quinn 2001). Selective hiring was found to be a significant predictor to all hotel performance measures: perceived product quality; perceived production cost; perceived market share; perceived sales; and perceived employee's performance. These findings suggest that selective hiring is a key practice that improves hospitality performance. Similar to previous research (Brown et al. 2003; Collins and Clark 2003; Cardon and Stevens 2004) compensation policy was a predictor of hotel performance. Compensation policy was correlated with the perceived sales; product quality, production cost and overall hotel performance. Results also demonstrated that working in self-managed teams can result in the growth of both sales and market share. Self-managed teams increase worker responsiveness to problems as well as

decrease overhead and management costs through fewer hierarchical levels. Workers can gain autonomy and personal control. Actually, because each member is considered to be important to the team's success, Self-managed teams help to unleash the untapped potential of each employee. Evidence suggests that information sharing improves market share and sales. At the same time there was no significant association of information sharing to product quality or product cost. Morishima (1991) found a stronger association between information sharing and productivity and profitability (measured by Return on Assets and Return on Sales) in hotels than non- hotels. This can be attributed to the sharing of tactical rather than strategic information with employees. Nevertheless, many companies are wary of sharing critical information with their employees because of the possibility of losing control of them (Pfeffer 1998). Although, training and development may be related to hotel performance in many ways (Huselid 1995; Doyle 1997; de Cerio 2003; Paul and Anantharaman 2003; Zhu 2004), results show that training is only related to perceived sales and overall hotel performance. One would expect a greater relationship between training and development and the cost and quality of products, because of improved hotel specific employee skills and productivity. However, it is argued that this result shows that training practice has an indirect effect to employee's performance. Few studies have been able to establish a clear link between training practice and hotel performance (Newkirk-Moore and Bracker 1998). The same finding was uncovered by Accenture's 'The High Performance Workforce Study 2004' report: Despite a significant increase in content and budget of training programmes, only 16% of executives said they were very satisfied with the training function. This result underscores the effect of effective training content and structure. Training in sales is more structured thus more productive than training of the workforce, which is more atypical and unstructured, particular in small enterprises (Cardon and Stevens 2004; Ngo et al. 1998). Contrary to the hypothesis 6 the effect of job security on hospitality performance was not supported. One explanation is that job security requires a certain degree of reciprocity: a hotel and its employees should exchange signals of confidence, commitment prior to rewards; finally, a hotel that has learned that job security contributes to its performance will invest again in job security (Pfeffer 1998). This long term investment is not always the easiest thing to do. In particular, small and medium enterprises may find it hard to see all the connections between antecedents (such as worker job characteristics, hospitality change and job technology change) and consequences (such as turnover, hospitality commitment and job stress) of job security.

Limitations, Direction for Further Research and Conclusions

Although the current research focuses on testing the effects of HR practices on hotel performance, the researcher acknowledge that the present study has limitations. First, the sample is drawn from the UK hospitality industry, a mature industry, which is characterized by the proliferation of small and medium enterprises. Results from studies on a specific industry may have limitations to generalizing to other sectors of the economy and vice-versa. On the other hand, much of the research on HR practices has been conducted in UK, thus the findings of this study can be useful in future comparative studies. Second, the use of self-report questionnaires may limit the ability to draw conclusions about the causal nature of the relationships. In this study, researcher designed the questionnaire in a way that minimized the possibility of largely capturing respondents' implicit performance theories more than any real phenomenon. Nevertheless, self-report measures of performance can be reasonably valid. Self-reported measures may, in

some cases, represent more accurate descriptions than more objective measures (Podsakoff and Organ 1986; Day 2003). Wall et al. (2004) have shown that perceived data correlates highly with the assumed more objective financial performance data. Despite these limitations, this study provides evidence regarding the effects of HR practices and suggests that selective hiring and compensation policy are important in the hotel performance. Future research could clarify the causal relationship between HR practices and employee's performance. Another direction for future research is to examine HR practices in sets in order to assess their collective effect. The conceptual basis of further research can be extended. An interesting avenue for future research is the market-based competitive advantage approach, which declares that the market determines who is competitive or not (Reed, Lemak and Mero 2000). The market-based approach can provide an alternative theory to the resource-based view of competitive advantage, in order to examine the effect of HR practices on hotel performance.

REFERENCES

- Abercrombie, N. (1991). 'The privilege of the producer'. In R. Keat and N. (1997). 'Performance-related pay and trade union de-recognition'. *Employee Relations*, 19: 208–21.
- Abercrombie (eds.), *Enterprise Culture*. London: Routledge, pp. 43–57.
- Ackroyd, S. and Thompson, P. (1999). *Organizational Misbehaviour*. London: Sage.
- Ahmad, S., and Schroeder, R.G. (2003), "The Impact of Human Resource Management Practices on Operational Performance: Recognizing Country and Industry Differences," *Journal of Operations Management*, 21, 19–43.
- Armstrong, J.C., and Overton, T.C. (1977), "Estimating Non-response Bias in Mail Surveys," *Journal of Marketing Research*, 14, 396–402.
- Arthur, M.M., and Cook, A. (2003), "The Relationship Between Work–Family Human Resource Practices and Hotel Profitability: A Multi- Theoretical Perspective," *Research in Personnel and Human Resources Management*, 22, 219–252.
- Applebaum, E., Bailey, T., Berg, P. and Kalleberg, A. (2000). *Manufacturing Advantage: Why High Performance Work Systems Pay Off*. Ithaca, NY: Cornell University Press.
- Banker, R.D., Lee, S.Y., Potter, G., and Srinivasan, D. (2001), "An Empirical Analysis of Continuing Improvements Following the Implementation of a Performance Based Compensation Plan," *Journal of Accounting and Economics*, 30, 1, 315–350.
- Bacon, N. and Storey, J. (2000). 'New employee relations strategies in Britain: towards individualism or partnership?' *British Journal of Industrial Relations*, 38: 407–27.
- Banker, R. D., Lee, S., Potter, G. and Srinivasan, D. (1996). 'Contextual analysis of performance impacts of outcome-based incentive compensation'. *Academy of Management Journal*, 39: 920–48.
- Barney, J.B. (1991), "Hotel Resources and Sustained Competitive Advantage," *Journal of Management*, 17, 99–120.
- Barringer, B.R., Jones, F.F., and Neubaum, D.O. (2005), "A Quantitative Content Analysis of the Characteristics of Rapid-growth Firms and their Founders," *Journal of Business Venturing*, 20, 663–687.
- Batt, R. (2002), "Managing Customer Services: Human Resources Practices, Quit Rates, and Sales Growth," *Academy of Management Journal*, 45, 587–597.
- Batt, R. (2004), "Who Benefits from Teams? Comparing Workers, Supervisors, and Managers," *Industrial Relations*, 42, 1, 183–212.
- Becker, B., and Gerhart, B. (1996), "The Impact of Human Resource Management on Organisational Performance: Progress and Prospects," *Academy of Management*, 39, 4, 779–801.

- Becker, B.E., and Huselid, M.A. (1998), "High Performance Work Systems and Hotel Performance: A Synthesis of Research and Managerial Implications," *Research in Personnel and Human Resources Management*, 16, 53–101.
- Benson, G.S., Finegold, D., and Mohrman, S.A. (2004), "You Paid for the Skills, Now Keep Them: Tuition Reimbursement and Voluntary Turnover," *Academy of Management Journal*, 47, 3, 315–331.
- Berlin: Walter de Gruyter.(1994). 'Strategies of resistance: power, knowledge and subjectivity in the work place'. In J. Jermier, D. Knights and W. Nord (eds.), *Resistance and Power in Organizations*. London: Routledge.
- Berry, L. L. (1995). *On Great Service: A Framework for Action*. New York: Free Press and Parasuraman, A. (1991). *Marketing Services: Competing through Quality*. New York: Free Press.
- Black, S.A., Lynch, L.M., and Krivelyova, A. (2004), "How Workers Fare When Employers Innovate," *Industrial Relations*, 43, 1, 44–66.
- Brewster, C. (2004), "European Perspectives on Human Resource Management," *Human Resource Management Review*, 14, 365–382.
- Buitendach, J.H., and de Witte, H. (2005), "Job Insecurity, Extrinsic and Intrinsic Job Satisfaction and Affective Organisational Commitment of Maintenance Workers in a Parastatal," *South African Journal Business Management*, 36, 2, 27–37.
- Burgess, D. (2005), "What Motivates Employees to Transfer Knowledge Outside their Work Unit?," *Journal of Business Communication*, 42, 4, 324–348.
- Caloghirou, Y., Protoyerou, A., Spanos, Y., and Papagiannakis, L. (2004), "Industry-Versus Hotel-specific Effects on Performance: Contrasting SMEs and Large-sized Firms," *European Management Journal*, 22, 2, 231–243.
- Cardon, M.S., and Stevens, C.E. (2004), "Managing Human Resources in Small Organizations: What do we Know?" *Human Resource Management Review*, 14, 295–323.
- de Cerio, J.M.-D. (2003), "Quality Management Practices and Operational Performance: Empirical Evidence for Spanish Industry," *International Journal of Production Research*, 41, 12, 2763–2786.
- Casey, C. (1999). 'Come, join our family: discipline and integration in corporate organizational culture'. *Human Relations*, 52: 155–78.
- Cheung, S. N. C. (1969). *The Theory of Share Tenancy*. Chicago: University of Chicago Press.
- Cho, S., Woods, R.H., Jang, S., and Erdem, M. (2006), "Measuring the Impact of Human Resource Management Practices on Hospitality Firms' Performances," *International Journal of Hospitality Management*, 25, 2, 262–277.
- Chow, C.W., Harrison, G.L., McKinnon, J.L., and Wu, A. (1999), "Cultural Influences on Informal Information Sharing in Chinese and Anglo- American Organizations: An Exploratory Study," *Accounting, Organizations and Society*, 24, 561–582.
- Claver, E., Molina, J., and Tari, J. (2002), "Hotel and Industry Effects on Hotel Profitability: A Spanish Empirical Analysis," *European Management Journal*, 3, 321–328.
- Clawson, D. (1980). *Bureaucracy and the Labour Process*. New York: Monthly Review Press.
- Cohen, J. (1988). *Statistical Power Analysis for the Behavioural Sciences* (2nd ed.), Lawrence Erlbaum Associates.
- Colakoglu, S., Lepak, D.P., and Hong, Y. (2006), "Measuring HRM Effectiveness: Considering Multiple Stakeholders in a Global Context," *Human Resource Management Review*, 16, 209–218.
- Collins, C.J., and Clark, K.D. (2003), "Strategic Human Resource Practices, Top Management Commitment, Team Social Networks and Hotel Performance: The Role of Human Resource Practices in Creating Hospitality Competitive Advantage," *Academy of Management Journal*, 46, 6, 740–751.
- Collinson, D. (1992). *Managing the Shopfloor: Subjectivity, Masculinity and Work-place Culture*.
- Constant, D., Kiesler, S., and Sproull, L. (1994), "What's Mine Is Ours, or Is It? A Study of Attitudes about Information Sharing," *Information Systems Research*, 5, 4, 400–421.
- Coupar, W. and Stevens, B. (1998). 'Towards a new model of industrial partnership: beyond the HRM versus industrial relations argument'. In P. Sparrow and M. Marchington (eds.), *Human Resource Management: The New Agenda*. London: Pitman, pp. 145–59.

- Cunningham, M. R. (1979). 'Weather, mood and helping behaviour: quasi- experiments with the Sunshine Samaritan'. *Journal of Personality and Social Psychology*, 37: 1947–56.
- Day, N.E. (2003), "Compensation Managers' Beliefs about Strategies that Affect Compensation Program Goals," *Journal of Business Strategies*, 13, 1.
- Delery, J.E., and Doty, D.H. (1996), "Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic Contingency, and Configurationally Performance Predictions," *Academy of Management Journal*, 39, 802–835.
- Doyle, M. (1997), "Management Development," in *Human Resource Management: A Contemporary Perspective*, eds. I. Beardwell and L. Holden, London: Pitman, pp. 212–235.
- Dyer, W. G. and Wilkins, A. L. (1991). 'Better stories, not better constructs to generate better theory: a rejoinder to Eisenhardt'. *Academy of Management Review*, 16: 613–19.
- Ezzamel, M. and Willmott, H. (1998). 'Accounting for teamwork: a critical study of group-based systems of organizational control'. *Administrative Science Quarterly*, 43: 358–96.
- Fey, C.E., Bjorkman, I., and Pavlovskaya, A. (2000), "The Impact of Human Resource Management Practices on Hotel Performance in Russia," *International Journal of Human Resource Management*, 11, 1, 1–18.
- Friedman, A. L. (1990). 'Managerial strategies, activities, techniques and technology: towards a complex theory of the labour process'. In D. Knights and H. Willmott (eds.), *Labour Process Theory*. London: Macmillan.
- Gabriel, Y. (1999). 'Beyond happy families: a critical re-evaluation of the control-resistance-identity triangle'. *Human Relations*, 52: 179–203.
- Gay, P. (1996). *Consumption and Identity at Work*. London: Sage.
- Salaman, G. (1992). 'The culture of the customer'. *Journal of Management Studies*, 29: 615–33.
- Gerhart, B., and Milkovich, G.T. (1990), "Hospitality Differences in Managerial Compensation and Hotel Performance," *Academy of Management Journal*, 33, 663–691.
- Giddens, A. (1982). 'Power: the dialectic of control and class structuration'. In A. Giddens and G. Mackenzie (eds.), *Social Class and the Division of Labour: Essays in Honour of Iliu Neustadt*. Cambridge: Cambridge University Press, pp. 29–45.
- Givord, P., and Maurin, E. (2004), "Changes in Job Security and their Causes: An Empirical Analysis for France, 1982–2002," *European Economic Review*, 48, 595–615.
- Guest, D. (1997), "Human Resource Management and Performance: A Review and Research Agenda," *International Journal of Human Resource Management*, 8, 263–276.
- Guest, D. E. and Peccei, R. (2001). 'Partnership at work: mutuality and the balance of advantage'. *British Journal of Industrial Relations*, 39: 207–36.
- Gunnigle, P., Turner, T. and D'Art, D. (1998). 'Counterpoising collectivism: performance-related pay and industrial relations in greenfield sites'. *British Journal of Industrial Relations*, 36: 565–79.
- Harris, L. C. and Ogbonna, E. (1999). 'Developing a market oriented culture: a critical evaluation'. *Journal of Management Studies*, 36: 177–98.
- Harris, M. B. (1995). 'Waiters, customers and service: some tips about tipping'. *Journal of Applied Social Psychology*, 25: 725–44.
- Hartline, M. D. and Ferrell, O. C. (1996). 'The management of customer- contact service employees: an empirical investigation'. *Journal of Marketing*, 60 (October): 52–70.
- Heery, E. (1993). 'Industrial relations and the customer'. *Industrial Relations Journal*, 24: 284–94.
- Hemenway, D. (1984). *Prices and Choices: Microeconomic Vignettes*, Cambridge, Mass.: Ballinger.
- Hodson, R. (1999). 'Organizational anomie and worker consent'. *Work and Occupations*, 26: 292–323.
- Huselid, M. A. (1995). 'The impact of human resource management practices on turnover, productivity and corporate financial performance'. *Academy of Management Journal*, 38, 635–70.
- Huselid, M.A. (1995), "The Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance," *Academy of Management Journal*, 38, 3, 635–672.
- Ichniowski, C., and Shaw, K. (1999), "The Effect of Human Resource Management Systems on Economic Performance: An International Comparison of US and Japanese Plants," *Management Science*, 75, 5, 704–721.

- Jayaram, J., Droge, C., and Vickery, S.K. (1999), "The Impact of Human Resource Management Practices on Performance," *Journal of Operations Management*, 18, 1, 1–20.
- Ichniowski, C., Shaw, K. and Prennushi, G. (1997). 'The effects of human resource management practices on productivity: a study of steel finishing lines.' *American Economic Review*, 87: 291–313.
- Iverson, R.D. and Deery, M. (1997). 'Turnover culture in the hospitality industry.' *Human Resource Management Journal*, 7(4): 71–82.
- Jackson, S.E. and Schuler, R. J. (1997). 'Technical and strategic HRM effectiveness as determinants of firm performance.' *Academy of Management Journal*, 40: 171–88.
- Jacob, N. and Page, A. (1980). 'Production, information costs and economic organization: the buyer monitoring case.' *American Economic Review*, 70: 476–8.
- Jaros, S.J. (2000). 'Labour process theory: a commentary on the debate.' *International Studies of Management and Organizations*, 30(4): 25–39.
- Jones, O. (2000). 'Scientific management, culture and control: a first-hand account of Taylorism in practice.' *Human Relations*, 53: 631–53.
- Korczynski, M., Shire, K., Frankel, S. and Tam, M. (2000). 'Service work in consumer capitalism: consumers, control and contradiction.' *Work, Employment and Society*, 14: 669–87.
- Kraimer, M.L., Wayne, S.J., Liden, R.C., and Sparrowe, R.T. (2005), "The Role of Job Security in Understanding the Relationship Between Employees' Perceptions of Temporary Workers and Employees' Performance," *Journal of Applied Psychology*, 90, 2, 389–398.
- Lashley, C. (2000). 'Empowerment through involvement: a case study of TGI Fridays restaurants.' *Personnel Review*, 29: 791–815.
- Lawler, E.E. (2000). 'Pay strategy: new thinking for the new millennium.' *Compensation and Benefits Review*, January/February: 7–12.
- Lawler, E.E., and Rhode, J.G. (1976), *Information and Control in Organizations*, Pacific Palisades, CA: Goodyear Publishing Hotel.
- Lawler, E.E., Mohrman, S.A., and Ledford, G.E. Jr. (1995), *Creating High Performance Organizations*, San Francisco, CA: Jossey-Bass.
- Lytle, R. S., Hom, P. W. and Mokwa, P. (1998). 'SERV*OR: a managerial measure of organizational service-orientation.' *Journal of Retailing*, 74: 455–7.
- Marcuse, H. (1964). *One Dimensional Man*. Boston: Beacon Press.
- Michie, J., and Sheehan-Quinn, M. (2001), "Labour Market Flexibility, Human Resource Management and Corporate Performance," *British Journal of Management*, 12, 4, 287–306.
- Morishima, M. (1991), "Information Sharing and Hotel Performance in Japan," *Industrial Relations*, 30, 1, 37–61.
- Newkirk-Moore, S., and Bracker, J.S. (1998), "Strategic Management Training and Commitment to Planning: Critical Partners in Stimulating Hotel Performance," *International Journal of Training and Development*, 2, 2, 82–90.
- Ngo, H., Turban, D., Lau, C., and Lui, S. (1998), "Human Resource Practices and Hotel Performance of Multinational Corporations: Influences of Country Origin," *International Journal of Human Resource Management*, 9, 4, 632–652.
- Nicholis, C.E., Lane, H.W., and Brechu, M.B. (1999), "Taking Self-managed Teams to Mexico," *Academy of Management Executive*, 13, 3, 15–25.
- Nonaka, K. (1994), "The Knowledge Creating Hotel," *Harvard Business Review*, 69, 96–104.
- O'Doherty, D. and Willmott, H. (2000). 'The question of subjectivity and the labour process.' *International Studies of Management and Organizations*, 30(4): 11232.
- Ogbonna, E. (1993). 'Managing organizational culture: fantasy or reality.' *Human Resource Management Journal*, 3(2): 42–54.
- Ogbor, J.O. (2001). 'Critical theory and the hegemony of corporate culture.' *Journal of Organizational Change Management*, 14: 590–608.
- Oglensky, B.D. (1995). 'Socio-psychoanalytic perspectives on the subordinate.' *Human Relations*, 48: 1029–54.

- Parasuraman, A., Zeithaml, V. H. and Berry, L. L. (1994). 'Reassessment of expectations as a comparison standard in measuring service quality: implications for further research.' *Journal of Marketing*, 58: 111–24.
- Paul, A.K., and Anantharaman, R.N. (2003), "Impact of People Management Practices on Hospitality Performance: Analysis of a Causal Model," *International Journal of Human Resource Management*, 14, 7, 1246–1266.
- Pencavel, J. H. (1977). 'Work effort, on-the-job screening and alternative methods of remuneration.' In R. Ehrenberg (ed.), *Research in Labour Economics*, vol. 1. Greenwich, Conn.: JAI Press.
- Penzer, E. (1990). 'Motivating low-wage workers.' *Incentive*, 164(2): 47–51.
- Pfeffer, J. (1998), "Seven Practices of Successful Organizations," *California Management Review*, 40, 2, 96–124.
- Pfeffer, J. (1998). *The Human Equation*. Boston: Mass.: Harvard Business Review Press.
- Podsakoff, P., MacKenzie, S., Lee, J., and Podsakoff, N. (2003), "Common Method Biases in Behavioural Research: A Critical Review of the Literature and Recommendation Remedies," *Journal of Applied Psychology*, 88, 879–903.
- Podsakoff, P.M., and Organ, D.W. (1986), "Self Reports in Hospitality Research: Problems and Prospects," *Journal of Management*, 12, 531–544.
- Probst, T.M. (2002), "The Impact of Job Insecurity on Employee Work Attitudes, Job Adaptation, and Hospitality Withdrawal Behaviours," in *The Psychology of Work: Theoretically Based Empirical Research*, eds. J.M. Brett and F. Drasgow, Mahwah, NJ: Lawrence Erlbaum Associates, pp. 141–168.
- Reed, R., Lemak, D.J., and Mero, N.P. (2000), "Total Quality Management and Sustainable Competitive Advantage," *Journal of Quality Management*, 5, 5–26.
- Roberts, K. (1995), "The Proof of HR is in the Profits," *People Management*, February, 42–43.
- Rodriguez, J.M., and Ventura, J. (2003), "Human Resource Management Systems and Hospitality Performance: An Analysis of the Spanish Industry," *International Journal of Human Resource Management*, 14, 7, 1206–1226.
- Rogers, E.W., and Wright, P. (1998), "Measuring Hospitality Performance in Strategic Human Resource Management Research: Problems Prospects, and Performance Information Markets," *Human Resource Management Review*, 8, 311–331.
- Ronde, T. (2001), "Trade Secrets and Information Sharing," *Journal of Economics and Management Strategy*, 10, 3, 391–417. 96 I.
- Rown, M.P., Sturman, M.C., and Simmering, M.J. (2003), "Compensation Policy and Hospitality Performance: The Efficiency, Operational, and Financial Implications of Pay Levels and Pay Structure," *Academy of Management Journal*, 46, 6, 752–762.
- Schein, E. (1999). *The Corporate Culture Survival Guide: Sense and Nonsense about Culture Change*. San Francisco: Jossey-Bass.
- Schuster, F. (1986), *the Schuster Report*, New York: John Wiley and Sons.
- Sewell, G. (1998). 'The discipline of teams: the control of team-based industrial work through electronic and peer surveillance.' *Administrative Science Quarterly*, 43: 397–428.
- Shah, R., and Ward, P.T. (2003), "Lean: Context, Practice Bundles and Performance," *Journal of Operations Management*, 21, 2, 129–149.
- Singh, J. (2000). 'Performance productivity and quality of front-line employees in service organizations.' *Journal of Marketing*, 64: 15–34.
- Singh, K. (2005), "The Effect of Human Resource Practices on Hotel Performance in India," *Human Resource Development International*, 6, 1, 101–116.
- Steiger, T. L. and Form, W. (1991). 'The labour process in construction: control without bureaucratic and technological means?' *Work and Occupations*, 18: 251–70.
- Storey, D.J. (2002), "Education, Training and Development Policies and Practices in Medium-sized Companies in the UK: Do They Really Influence Hotel Performance?," *Omega*, 30, 249–264.
- Storey, J. (1983). *Managerial Prerogative and the Question of Control*. London: Kegan Paul.
- Strauss, A. L. and Corbin, J. M. (1990). *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*. Beverly Hills, Cal.: Sage.

- Sturdy, A., Knights, D. and Willmott, H. (eds.) (1992). *Skills and Consent: Contemporary Studies in the Labour Process*. London: Routledge.
- Taylor, P.J. and Pierce, J.L. (1999). 'Effects of introducing a performance management system on employees' subsequent attitudes and effort'. *Public Personnel Management*, 28: 423–52.
- Tata, J., and Prasad, S. (2004), "Team Self-management, Organisational Structure, and Judgments of Team Effectiveness," *Journal of Management Issues*, 16, 2, 248–265.
- Thompson, T. and McHugh, D. (1995). *Work Organization: A Critical Introduction*. London: Macmillan.
- Tosi, H.L., Misangyi, V.F., Fanelli, A., Waldman, D.A., and Yammarino, F.J. (2004), "CEO Charisma, Compensation, and Hotel Performance," *The Leadership Quarterly*, 15, 405–420.
- Uen, J.F., and Chien, S.H. (2004), "Compensation Structure, Perceived Equity and Individual Performance of Rand Professionals," *The Journal of American Academy of Business*, March, 401–405.
- Voss, C., Tsiriktsis, N., Funk, B., Yarrow, D., and Owen, J. (2005), "Managerial Choice and Performance in Service Management—A Comparison of Private Sector Organizations with Further Education Colleges," *Journal of Operations Management*, 23, 179–195.
- Vroom, V.H. (1964). *Work and Motivation*. New York: John Wiley.
- Wagner, J.A. (1994), "Participation's Effect on Performance and Satisfaction: A Reconsideration of Research Evidence," *Academy of Management Review*, 19, 312–331.
- Wall, T.D., Michie, J., Patterson, M., Wood, S.J., Sheehan, M., Clegg, C.W., and West, M.A. (2004), "On the Validity of Perceived Hotel Financial Performance," *Personnel Psychology*, 57, 95–118.
- Weber, M. (1947). *The Theory of Social and Economic Organization*, ed. T. Parsons. New York: Free Press.
- Widener, S.K. (2006), "Human Capital, Pay Structure, and the Use of Performance Measures in Bonus Compensation," *Management Accounting Research*, 17, 2, 198–221.
- Willmott, H. (1993). 'Strength is ignorance, slavery is freedom: managing culture in modern organizations'. *Journal of Management Studies*, 30: 515–51.
- Wimbush, J.C. (2005), "Spotlight on Human Resource Management," *Business Horizons*, 48, 463–467.
- Wright, P.M., Dunford, B.B., and Snell, S.A. (2001), "Human Resources and the Resource-based View of the Hotel," *Journal of Management*, 27, 701–721.
- Yeatts, D.E., and Hyten, C. (1998), *High-performing Self-managed Work Teams, A Comparison of Theory and Practice*, Thousand Oaks, CA: Sage.
- Zeithaml, V. A., Berry, L. L. and Parasuraman, A. (1996). 'The behavioral consequences of service quality'. *Journal of Marketing*, 60 (April): 31–46.
- Zhu, Y. (2004), "Responding to the Challenges of Globalization: Human Resource Development in Japan," *Journal of World Business*, 39, 337–
- Dr. Vipin Nadda is Sr. Lecturer and Programme Manager (PG-Hospitality and Tourism) with University of Sunderland, London Campus, UK. He also freelance as 'Education Consultant' for University of East London, Anglia Ruskin University, BPP University, Cardiff Metropolitan University, 'Member of Academic Council' and Chief Examiner for Confederation of Tourism and Hospitality, UK along with reviewer for *Tourism Analysis: An Interdisciplinary Journal* (IGI-Global Publishers) and member of the Scientific Committee for International Association of Cultural and Digital Tourism (IACUDIT).
- Roya Rahimi completed her PhD in Tourism and Hospitality Management at 2013 and joined University of Wolverhampton, Business School as lecturer in September 2014 where she teaches across tourism, hospitality, leisure and events subject areas. While undertaking her PhD studies, she was a Research Assistant at Management Department of Izmir University (2009-2010) and, in broadening her knowledge and academic experience; she became a PhD visiting Scholar at University of Wolverhampton (2010-2011).

ABOUT THE AUTHOR

Dr. Sumesh S Dadwal is Sr. Lecturer and Programme Leader (MBA) at Glyndwr University, London. UK. He has 15-years of experience in business & academic research, teaching, E Learning, educational quality management in wide range of business and Healthcare subjects.