

Employability and Employment in the Hotel Industry: A Review of the Literature

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Abstract

This paper examines the importance of labor capabilities and their relationship with employment within the hotel industry. This is a review of the literature related to the provision of training schemes to maintain competitiveness and economic growth in the hotel industry. The effects of psychological contracts are examined to address the employees' behaviors in relation to fairness of treatment, trust, and delivery of promises. This review was undertaken to explore the significance of skills shortages and skills mismatches. The paper suggests that training schemes to ensure for employees' employability, along with positive employment relationships, are the key to helping hotels cope with skills shortages.

Keywords: Employability; Employment relationship; Labor capability; Skills shortage

Introduction

From the human resource development perspective, it is important for employees to maintain their employability so that they can remain competitive in the labor market. This is because the old psychological contract of security in exchange for loyalty has been replaced by a new contract in which provides employability in exchange for flexibility [1]. This has resulted in a change to employees' attitudes regarding their career development and prospects under any given employer or organization. In the service innovation model, it is significant that most new service solutions involved the use of new technologies that employees must learn and adapt to using in a new delivery system [2-4]. For example, hotel check-in systems have evolved from being online computer-driven applications to freestanding kiosks, and they are now accessible with a portable or mobile device. Unless they are able to learn and adapt to changes in the economic environment, the productivity and service quality of hotels cannot be sustained. Therefore, this paper examines the important area of labor capabilities and their relationship with employment in the hotel industry.

A review of the literature review is used to investigate the significance of skills shortages and skills mismatches. This paper also explores the nature of employment relationships in the hotel industry and suggests that in order to address the problem of skills shortages hotels should enhance their employment relationships with their employees and help employees maintain their employability.

Labor Capabilities

The development of labor capabilities is important to ensure the standard of service quality that is delivered to the customers [5]. Labor capabilities can be developed and managed by implementing training schemes that keep employees' skills and knowledge up-to-date and competitive in response to the continual changes in the economic environment [6,7]. These training schemes, through vocational

education and training institutes, can then respond to the need for skills by supplying them [6,8,9].

Skills are capabilities possessed by employees that enable them to perform their assigned tasks in the workplace [10]. This implies that a skills shortage can create difficult situations for hotels that cause delays in the provision of appropriate suitable customer service, increase operating costs, and make it impossible to deal with obstacles to meeting their required quality standards [11]. According to Keep et al. [5], skills shortages refer to positions that cannot be filled because employees are unable to meet the required levels and types of skills, as opposed to vacancies that remain open because of low pay and unsociable hours. Therefore, job-skills training for existing employees is essential to increase internal labor capability and thus productivity, employment and economic performance [12-14].

Skills mismatches have significantly impacted on the quality of service delivery and productivity of employees in the hotel industry, as the negative image of the industry is hardly likely to attract skilled workers [15,16]. It is noted that educational mismatches combined with labor mobility are a major reason behind the skills gap where overeducated workers may temporarily take a job and then move on to better jobs when they acquire enough experience [17]. In addition, overeducated workers (usually young) are more likely to be promoted (internal mobility) or to leave the firm for a higher level position in another firm (voluntary external mobility). Undereducated workers (usually older and with more experience), on the other hand, are more likely to be laid off due to redundancies, contracts ending, or the closure of the firm (involuntary external mobility) [17]. However, the consequences of skills mismatches for qualified workers are minimized when requisite skills training is provided.

Stone [10] stresses that skills training and development used in human resource development is concerned with changing workers' behaviors, and thereby improving job performance. Skills training typically emphasizes immediate improvement in job performance via the procurement of specific skills [10]. Skill development, on the other hand, aims to prepare workers for future job responsibilities through the acquisition of new experiences, knowledge, skills and attitudes

[10]. Both processes provide employees with opportunities to continually improve their skills and knowledge, thus strengthening the firms' performance. It is therefore believed that achieving the best performance outcome is a matter of judicious skills investment which promotes capabilities that match the skills needed in response to the changes of the economic environment.

Employment Relationships with Employability of Employees

Employment relationships in the hotel industry have been described as involving a "traditionalist" management style which treats employees simply as labor at minimal cost [11]. This management style involves exploiting employees by spending very little time on communication, training and quality enhancement [18]. This is because the hotel industry is traditionally managed by autocrats who do not foster empowerment of employees and who are not concerned with long-term human capital management [19,20]. It is suggested that the traditional management style should be improved and should provide a long-term strategic vision which emphasizes the value of internal human resources [19]. Otherwise, the success of hotels, in terms of service quality, could be undermined by widespread skills shortages.

Strategic human resource management is based on seeking a balance between control by management, the unpredictable nature of demand, and the need for labor utilization strategies [21]. This indicates that labor capability within a long-term employment relationship can be established based on the needs of diverse hotels in a particular market. According to Lewis et al. [18], the employment relationships are dynamic and dependent on the organization of work in response to a wider environment. Organization of work refers to the characteristics of the work tasks; the way in which performance is controlled; the participation of employees in wider organizational decision-making; job security; and the polarization of the workforce from core to periphery [18]. A wider environment, on the other hand, refers to changes to the wider political, economic, technological, and social environments in which work is located [18].

It appears that the nature of the employment relationship has evolved and is controlled by employers who have significant power over employees. The relationship between employers and employees is an asymmetrical power relationship that employees agree to, and they submit their capabilities and capacities to the authority and direction of the employers in an economic exchange [22]. Generally, employers need employees' creative capacities to secure a surplus while maintaining effective control. Lewis et al. [18] stress that this is a form of exercising power in which employers seek to formulate expectations and targets about work, and to control the conduct of the work. Employees, on the other hand, develop views about their willingness to conform to these expectations and their willingness to accede to forms of management control and, more importantly, to find new ways of maintaining some level of individual autonomy for employees [18]. This is because this asymmetrical power relationship influences the nature and fairness of the organization's treatment of the employees who may suffer due to unfair arrangements [18,22].

Training schemes for enhancing employees' employability have also evolved and are designed to cope with the changes in the wider environment which have affected employment relationships [18]. This has directly impacted on employee perceptions with respect to job security and employees behave according to their psychological

contracts with employers [23]. Psychological contracts involve fairness, trust, and delivery of promises on issues such as pay, promotion and workload [18,24]. Although skills formation incurs costs and increases the external job opportunities of employees, providing one's workforce with the ability to learn faster, better, and more cheaply than one's competitors could mean the difference between retaining market leadership and barely surviving [25].

A positive employment relationship can be established through employees' participation and involvement in the workplace. Lewis et al. [18] stress that employee participation is a means of their sharing some degree of power in relation to organizational decision-making, and employee involvement is promoted by management on a voluntary basis to influence employees' attitudes and workplace behaviors. Employee participation is an attempt to extend employees' collective interests into a variety of areas, and their involvement in decisions at higher levels in the organization. This is related to the degree or depth, scope, level and form of power sharing in an organization [18,26].

Involvement, on the other hand, is regulated by management to optimize the utilization of labor while simultaneously securing the employees' identification with the aims and needs of the organization [26]. Teamwork and empowerment are two forms of involvement that motivate employees and enhance job satisfaction, as well as improve commitment towards service quality and productivity [26]. In particular, empowerment allows employees to exercise greater authority, discretion, and autonomy in their dealings with customers, thereby enabling them to provide the best possible service [26,27].

Therefore, it is deemed that training schemes for employees, along with positive employment relationships can help hotels to sustain a competitive advantage, as they can benefit from enhanced service quality, labor productivity and reduction in skills gaps. Employees, on the other hand, can be motivated as a result of job satisfaction and are able to perceive fair treatment in relation to issues such as remuneration and career prospects.

Conclusion

Training schemes for to promote the employability employees, along with positive employment relationships, are the key to helping hotels cope with the issue of skills shortages. From a human resource development perspective, enhancing the skills and competencies of workers appears to be an increasingly important dimension of hotel development strategies [28,29]. Since jobs for life have disappeared, employees have become more sophisticated in their demands for interesting and important work, and they increasingly request freedom and resources to perform assigned tasks well, receive extra payment that reflects their contributions, and gain the experience and training needed to be employable anywhere [18,23,30]. It is believed that employees could terminate the employment relationship at any time if employers fail to reward them fairly on the basis of work effort in relation to wage payment, future promotion prospects, and training opportunities for employability.

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