The Hospitality Industry, Industrial Placement and Personnel Management

by

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This article aims to identify the contribution that industrial placement makes and the experience it provides to the personnel management function in the hospitality industry. In particular, it considers the especially significant potential benefits in the areas of recruitment, training and labour turnover. Influential factors in these areas, correlated with the industrial placement experience, are examined and discussed. Recommendations are presented in terms of the personnel policies and practices which can lead to the realisation of the benefits identified and in the long term encourage enhancement of the personnel function.

As the end of the twentieth and indeed the start of the twenty-first century approach the hospitality industry is facing a myriad of challenges. These challenges are arising as a result of the impact of technological developments on traditional business activity patterns, changes in the range of employment opportunities, and an increase in leisure time coupled with a diversification of leisure demand [Leslie, 1988]. Furthermore, of more significance are the qualitative and quantitative increases in demand generated through tourism-related activities [Leslie and McDowell, 1988]. An influential factor in many of these challenges is the demographic profile of society and the projected shift in balance between the various age groupings. Although many of the challenges and societal trends will present opportunities for the industry, they will also present problems. One such problem is manpower resources. It is this area that poses the major problem, and presents the greatest opportunity, for the hospitality industry. The opportunity for the hospitality industry is to review and analyse current approaches to the personnel function, in particular policies for recruitment and training, and derive new, more effective and efficient policies.

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MANPOWER RESOURCES

Key changes in looking to the future are:

1. the anticipated decline in the number of youngsters who will be moving into the United Kingdom job market in the mid 1990s - an estimated shortfall of 1 million people [Taylor, 1988];

2. an anticipated increase in the number of new jobs in the hospitality industry over the next five years.

It has been suggested that by 1993 employment opportunities in restaurants, and hotels will have increased by 33 per cent and 21 per cent respectively ['Opinion', Caterer and Hotelkeeper, 18 August 1988]. These figures suggest a growth rate of employment, based on an estimate of 1,095,000 jobs [Employment Gazette, 1988], in hotels and restaurants, of approximately 60,000 jobs per annum for the next five years. According to Duncan Rutter [1988] there may be as many as 225,000 new jobs created in the UK hospitality industry overall between 1988 and 1993 (46,200 per annum). These figures, however, are open to some debate – Tourism 88 [DoE, 1988] suggests jobs in tourism (including the hospitality sector) are growing at an annual rate of 50,000, a figure disputed by Medlik [1988], who suggests 20,000 as more realistic.

Clearly there are considerable discrepancies between the predicted levels of employment growth, and therefore the various figures cited must be treated with a degree of caution. However, they do provide strong indications of the scope of expansion of the labour market in the hospitality industry in the early 1990s. A challenge indeed!

We need hardly look to the future to identify problems of finding suitable employees for this industry, for some sectors are already experiencing difficulties in recruitment. Watt [1988] reported that 66 per cent of restaurants, and 44 per cent of bars, involved in a survey carried out by Berkeley Scott, were experiencing great difficulty in recruiting ‘skills’ staff as distinct from executive personnel. This might be taken as indicative that difficulties are not currently being encountered in recruiting management personnel, a situation which is, perhaps, unlikely when one considers that in 1985 it was suggested [Smith, 1985] that there were, on average, five potential managerial recruits available for each of the large companies involved in the hotel and catering industry. This perception conflicts with the consensus of opinion expressed by representatives of the hospitality industry [International Association of Hospitality Management Schools Conference, 1985] that management graduates would outnumber demand. These two viewpoints may not in fact conflict on the grounds that supply of management graduates may well be in excess of demand but the number of potential managers in the hospitality sector within that supply is limited. Overall, and whatever the current situation is, the hospitality industry is clearly facing a shortfall in the number of potential management recruits.
This situation is liable to be compounded by the increasing requirement within the industry for entrants to hold formal academic qualifications. Such a preference is likely to increase in the light of the Handy [1987], and Constable and McCormick [1987] Reports, both of which stress the importance for managers to have a sound foundation in formal education. Furthermore, any potential shortfall may be exacerbated by the following factors:

1. The predicted decline in the total number of teenagers by 1992. We should, however, avoid over-estimating the effects of this reduction as only a small percentage of these youngsters currently enter the industry.

2. Excessive staff turnover. Duncan Rutter [1987/88] has estimated that the industry loses some 600,000 employees per annum. Not all of these employees are lost to the industry; many move within it. While inaccuracies may be incurred in the assessment of figures for staff losses (for instance, through high turnovers in specific operational areas and geographical locations), this is still a damning statistic.

3. Many students on catering-related courses do not enter, or remain in, the industry [Rammage, 1988; Watson and Drysdale, 1988]

Solutions to the problem are not immediately evident. Certainly one approach that could have a strong impact on the future is to take positive steps to improve the image of a career in this sector. Progress towards enhancing the attractiveness of the industry may well counteract any decline in numbers; educating parents and children in the opportunities the industry can offer, and more aggressive marketing to and by careers advisory personnel. This may in itself increase demand for hospitality related courses, and for direct employment opportunities. In a nutshell the hospitality industry must market the tremendous opportunities available. A potential solution may well lie within the education system.

There are approximately 6,875 students [ASET, 1987] currently on sandwich courses related to the hotel and catering industry. The number – 3,179 – of industrial placements required [ASET, 1987] may be taken as indicative of the numbers graduating each year. Even allowing for the limited number of graduates from hospitality-related courses that do not require a placement element, and the relatively few cognate graduates who gain direct entry into the industry (for example from accountancy and finance, marketing and personnel), there is certainly going to be a significant shortfall in the numbers of formally educated potential managers.

Courses in hospitality-related fields, as already indicated, invariably involve a period of 'industrial placement'. Such courses are usually termed 'sandwich courses':

Courses which incorporate periods both of organised full-time
work experience and of full-time study, the work experience of placements being linked in some measure to the course content [RISE, 1985].

There is little doubt that sandwich courses offer advantages through the introduction of a placement experience as a formal part of the course. It therefore follows that the three parties involved – the student, the college (a term used throughout this paper to embrace both universities and polytechnics), and the industrial partner – benefit from this system. The potential benefits that arise as a result of the inclusion of an industrial placement stage in courses are generally recognised [RISE, 1985].

While this may be so, the extent to which these benefits are realised in practice is significantly under-researched. Although this lack of research was recognised some five years ago [CNAA, 1983], there is still a shortage of basic data. The published research in the field has been, almost without exception, in areas other than the hospitality industry [World Council and Assembly, 1985 and 1987], a situation which, on recent evidence, is unlikely to change [Brewer, 1987]. This paucity of research into industrial placement in the hospitality sector is important because of the variances between opportunities within this sector, and the comparative differences between jobs in the hospitality industry and other industries. Thus the impact of the industrial placement experience may be significantly different from the experience and benefits accruing as a result of placement experience in the more traditional sectors of the economy.

It may be argued that because of the lack of definitive work practices, comprehensive personnel policies, and trade unions, there is a greater need for care and consideration to be given to the planning and organisation of the industrial placement experience within the hospitality industry if the potential benefits are to be realised.

What are these benefits of placement, and in what way can the lessons learnt from the industrial placement practice contribute to more efficient and effective personnel practices in the areas of recruitment and training?

BENEFITS OF PLACEMENT

All the potential benefits of placement must be achieved if the hospitality industry is to meet the challenges it faces now and in the future arising from the shortfalls outlined above and the predicted reduction in total demand for employment by the key source of labour for the industry – those in the 16–24 age range.

The benefits are potentially extensive and while many readers are, by and large, familiar with these, it would be of value to review them briefly. They may be usefully categorised into the following three sections:
1. **Benefits to Students**

- A broader knowledge, through increased awareness of the placement opportunities available, of the diversity of the industry
- Personal development, e.g., communication skills, working with others, self-discipline, 'presentation of self'; and where applicable living away from home and learning to stand on one's own feet
- An opportunity to examine theory through practice, and enhance possibilities of integration
- Experience of working in a particular sector which will help in deciding which sector to choose on completion of the course
- The possibility of having received a significant part of a Company's training scheme
- A reference likely to carry greater weight with potential employers than any gained from other sources.

2. **Benefits to Industry**

- Opportunity to employ an intelligent, able and willing person
- Cost-effectiveness: same person would undoubtedly cost more post-graduation
- Likelihood that the student will bring a 'fresh mind' – unblinking to past traditions
- Possibility of releasing member of management team to deal with more complex issues
- Possibility of having work carried out that would not previously have been done
- Possibility that student is more knowledgeable about 'non-line' management practices, e.g., marketing
- Facilities of college are available through the student, e.g., through a project assignment
- Students are potential recruits. The more applicants know about the company the better placed they are to decide whether to apply or not. This can lead to considerable savings on the part of the prospective employer and the applicant
- Aids selection process. Forty-five per cent of prospective employers are influenced by experience gained in their own company, while 44 per cent indicated a knowledge of the work involved and 37 per cent indicated that work experience anywhere, is an important factor in influencing the selection process [RISE Report, 1987]
- Reduces postgraduate training needs. Training takes time and money, therefore the more practical experience the interviewee has relevant to the position in question, the better for the company. The company involved may then be in a position to capitalise on training procedures
applicable to placement students, whether or not those procedures were with their own or another company.

3. Benefits to College

- contacts with industry may enhance the knowledge and experience of individual tutors
- improved staff and student contacts with industry in terms of industrial visits
- increased liaison with industrial contacts can present opportunities for a greater industry input in course development
- within the lecture/seminar situation students will, ideally, draw on and refer to knowledge and experience gained
- tutors are kept aware of developments and trends within the industry.

The benefits that concern us most are those that may significantly influence recruitment and selection. Attention to these in policy formulation, and practices relating to recruitment and training, will undoubtedly enhance the efficiency and effectiveness of these policies and practices.

PLACEMENT, RECRUITMENT AND TRAINING

Throughout placement selection and performance the perceptions and attitudes of students, and consequently their future career choice, are being influenced. We can consider this process in three areas.

1. Selection of Placement

The first decision undergraduates must make is in which sector of the industry they would like to work. Through enquiries about the opportunities available they will broaden their knowledge of the various sectors. Within their chosen sector the students may then opt for a potential placement which they have arranged, or pursue a placement offered by the industrial tutors system. If students opt to arrange their own position then they are probably committed to writing a great many letters to businesses in the hospitality sector, many of whom will not even reply. This is not a very good promotional exercise for those units concerned, reflecting badly on the industry as a whole. From their viewpoint it is probably seen as a time-consuming and costly exercise to reply, interview etc. Nevertheless, this is short-sighted.

If the college arranges the placement this painful process is avoided, though there are some other disadvantages. There is a great reliance by colleges and course directors on industrial tutors to find placements – and there are no guarantees that a tutor will not take the easy route and just find placements to fill a quota – rather than on the quality and the range of opportunities they provide. By and large it is very easy to find
placements, especially in the hotel sector, but finding quality placements is not so easy.

The significance of the foregoing points to personnel policies on recruitment and training is, first, that a lack of response to students' letters does not create a good impression - in fact it may encourage them to follow the same practice when they are in the manager's seat! Second, the tutors involved may provide inaccurate descriptions of the opportunities available or convey any bias they have for or against various sectors. The dominance of placement situations in the hotel sector serves to reinforce any bias towards this sector.

The placement experience will have an influence on career choice within the industry, a factor readily recognised by company personnel directors: 'The hotel industry industrial attachment is the shop window of the industry and what students see and experience does influence their attitude and career choice.' [Sherrell, 1987]. Another influencing factor will be what students have learnt during the course, and from their tutors and peers, about the various opportunities.

2. The Placement Experience

Once a student starts the industrial placement it is rare for him or her to fail to complete it. Taking into account the generally high level of labour turnover, one may well ask why this is not the pattern with placement students. Are they all faultless? Is it simply that they are employed for a predetermined period of time, and/or that they are answerable to someone else in addition to the employer if they leave? Undoubtedly these are influential factors but to what extent may the attention and consideration students may be given during the placement period be a contributing factor? This could have a significant influence if applied to all staff leading to reduced labour turnover, especially at unit level where the opportunities to influence labour turnover are greatest [Johnson, 1985].

A further noteworthy factor is that there is often a discrepancy in attitude between many 'unit' managers and senior staff in the personnel function to the students on industrial placement. 'Unit' managers may be more interested in what the students/trainees can do now than what they may be able to offer in terms of knowledge [Roy, 1988], or be able to do in the future, whereas senior personnel departmental staff may take a long-term view. This difference in attitude, which is especially noticeable at the placement stage, may well be the result of the strong likelihood of senior staff in the personnel department not being the product of the education and training system within the hospitality industry.

3. Return to College

On returning to college, students will exchange information about their
placements, both through formal procedures and informally. This peer exchange of information will influence career choice. Students returning with glowing accounts of a placement experience may generate extra interest in that company, and adverse reports will have the opposite effect.

RECRUITMENT AND SELECTION

To what extent may the selection of students by prospective employers be more effectively enhanced? The following possibilities could perhaps be reduced by more effective placement practices:

1. The student decides on the wrong sector because of lack of knowledge or experience.
2. The selection committee makes the wrong decision. The possibility of this could be reduced through referral to 'industrial placement reports'. Placement reports can provide far more information about the student than could be conveyed in an interview and may thus contribute to more accurate selection. This would probably necessitate greater attention to the reporting and assessment of the placement experience. Certainly the general approach to student assessment, invariably based on a 'simple' form sent out by industrial tutors [McAleenan, 1988], leaves a great deal to be desired.
3. A lack of training. During the placement period the experience gained may have been oriented to the needs of the unit at that time rather than to the needs of the company tomorrow. Companies may take on students for placement and use them as, for example, waiters/waitresses, commis', chambermaids, but they are hardly likely to take on graduates for the same functions. Why is there this difference, especially when one considers that the interval between a student in placement and the same student returning as a graduate trainee may amount to little more than nine months?

CONCLUSION AND RECOMMENDATIONS

In the foregoing discussion we have identified a number of challenges facing the hospitality industry with reference to the personnel function. These include the projected decline in the number of teenagers, increasing competition between the various industries for new recruits, problems in recruiting staff, and comparatively high levels of staff turnover.

Education and training offer significant contributions to any organisation through the enhancement of the abilities of their employees. A reflection of this is the industrial placement system, the potential benefits of which have been identified, though in the process it has been recognised that these are rarely realised to their full extent. Subsequent discussion centred on those benefits which have most
to offer the personnel function in terms of enhancing effective staff recruitment, selection and retention. It is this area which presents the greatest challenge to the hospitality industry – finding the right staff. Solutions to this problem are not easily identified. However, in the context of education and training, with particular reference to industrial placement, the following recommendations are postulated:

1. Greater emphasis should be given to improving the image of careers in the hospitality industry, for instance better marketing of opportunities, career development.

2. There should be increased emphasis on liaison between colleges and the industry, particularly with regard to the organisation of placements, and careers presentations. There should also be increased emphasis on the approach adopted within educational courses to encourage greater integration between the academic aspect of the course and the supervised work experience.

3. The industry should be more enterprising with regard to the type of placement situations available. For instance, how often does one hear of students spending their placement stage attached to head office, or as a manager's personal assistant? What opportunities are offered in areas such as personnel, marketing, control etc.?

4. The education system must also accept that it could do more to improve the value of the placement experience and the quality of graduates. For example, Nicholson [1988] identifies that the MSC Enterprise Scheme demands two things – a positive attitude, and an understanding of the business. One way he suggests of encouraging these is through a more enterprising education system.

5. Those with responsibility for full-time courses in the field of hospitality management education, in some cases, need to decide whether they are in the business of producing ‘professionals’ or ‘academics’. A degree of dissatisfaction with the ‘product’ of some courses is clearly evidenced by recent initiatives on the part of the Hotel Employers’ Group (comprising personnel directors of 13 of the largest hotel companies) in encouraging greater liaison over the development of courses, for instance Norwich Hotel School, South Bank Polytechnic, and Buckingham University. The point has also been made that more consideration should be given to the selection of students for courses [Hotel Employers Group, 1985].

6. There is a need for a more critical evaluation of placements. Attention should be given to the assessment of a student’s performance during the placement period. Currently this could be applied to college assessment forms but ultimately a more comprehensive form of appraisal could be introduced. While this would almost certainly increase the workload of all those involved, it could be compensated for by savings in resources allocated to recruitment and selection procedures, and career development.
7. The discrepancy in attitudes that sometimes exists between Unit managers and senior staff in the personnel department must be resolved. One method which has been introduced is for a part of the units' placement cost to be apportioned to head office, for example in Embassy Hotels. Such a system allows for a degree of control on the placement experience by head office. This could be developed. An advantage that could be gained through such development leading to enhanced emphasis on the experience and training of students in the placement situation is that this approach to the student could diffuse throughout the organisation: that is, greater attention to the individual, to training, to personal development, could all have a significant impact on labour turnover.

8. The introduction of ‘educational placements’ or short-term courses for practising managers. More attention to this area of training will contribute to the personal development of employees, and be to the advantage of the company [Constable and McCormick, 1987]. It could also lead to greater co-operation between the industry and education. Duncan Rutter [1987/8] may be quite correct when he said, in reference to the development of a BTEC Continuing Education Diploma In Hospitality Management (the concept is cited in the Constable and McCormick Report [1987]), ‘catering and hotelkeeping are setting the pace for British Industry as a whole’, but in practice the reality might be somewhat different.

9. There is a distinct lack of research in industrial placement in, for instance, organisation and administration; cost and benefits; influence on career perceptions. This needs to be rectified and steps are already being taken in this direction, as at Leeds Polytechnic where research based on earlier work is being developed. Members of the ‘Industrial Tutors Group’ [ITG] are studying assessment methods, while the ITG is investigating resourcing of placement systems, organisation and administration of placements within colleges.

The above recommendations, if practically applied, will:

- enhance student ability to select more accurately the sector of the industry in which they wish to commence their career.
- increase the realisation of the benefits attributable to the placement experience.
- lead to improvement in the effectiveness of the personnel function in the areas of recruitment, selection and training.
- possibly generate a ‘domino’ effect throughout the company leading to an overall enhancement of the personnel function resulting in reduced labour turnover.

Furthermore, while methods introduced in recognition of these recommendations may lead to increases in those costs attributable to the placement system, these will arguably be more than compensated for by
THE HOSPITALITY INDUSTRY

quality of graduates, better recruitment, selection and training practices and a decline in labour turnover.

In the final analysis the hospitality industry benefits substantially every year by taking on students for their period of industrial placement. If greater attention is given to what happens to students during the placement period, then more students will return. They are, after all, the managers of tomorrow.

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