

Human Resources Management in Small- and Medium-Sized Hotels in Turkey

FATMAGÜL ÇETINEL, MEDET YOLAL, and MURAT EMEKSİZ
Anadolu University, School of Tourism and Hotel Management, Eskisehir, Turkey

Effective human resources management (HRM) is vital for the success of small- and medium-sized hotel enterprises (SMHEs). However, there are no single studies concerning HRM practices of SMHEs in Turkey. The purpose of the study is to analyze the current HRM practices of SMHEs in Turkey. Findings from 313 SMHEs revealed that they did not possess formal HRM practices and this resulted in lack of professionalism in these firms. The study concludes that small- and medium-sized hotels, apart from microfirms, should formalize their HRM practices. However, formalization of HRM practices requires financial support and training of owner/managers on managerial skills and the importance of HRM. Cooperation and collaboration among the government, educational institutes and firms are recommended in order to improve HRM applications.

KEYWORDS *Small- and medium-sized hotel enterprises, human resources management (HRM), Turkey*

INTRODUCTION

Small- and medium-sized enterprises play an important role in the economies of countries because of their employment-generating characteristics. The European tourism industry is largely dominated with small- and medium-sized enterprises, with over 99% of firms employing fewer than 250 individuals (Coetzer, 2001). In the same manner, the vast majority of the accommodation establishments worldwide are small- or medium-sized enterprises (Buhalis & Main, 1998), and the same is true for the Turkish tourism industry.

Address correspondence to Fatmagül Çetinel, School of Tourism and Hotel Management, Anadolu University, Yunus Emre Kampusu, 26470, Eskisehir, Turkey. E-mail: myolal@anadolu.edu.tr

Accommodation enterprises in Turkey are classified legally as 1-, 2-, 3-, 4-, and 5-star rated hotels; motels; holiday villages; bed and breakfasts; campgrounds; chalets; apart hotels; hotels with special designations; hostels; sports complexes; second homes; floating enterprises; caravan campsites; and rural tourism enterprises. The enterprises that are not included in this classification are called municipality establishments (Andaç, 2000). The total number of operations designated as small- and medium-sized hotels (SMHEs) is 1,730, including 1-, 2-, and 3-star rated hotels; motels; pensions; campgrounds; chalets; apart hotels; and hotels with special designations, which comprises 74.5% of the total number of all the enterprises. When the municipality establishments are included, the figure rises to 95% (MCT, 2005).

By its very nature, the hotel industry is a labor-intensive service industry. And the success of the hotel industry heavily depends on the social and technical skills of its personnel, their ingenuity and hard work, and their commitment and attitude (Nolan, 2002). Thus, the management of human resources is assumed to play a vital role for the economic performance of these enterprises. People in many countries are encouraged to regard tourism as a very large industry with huge opportunities for jobs and careers (Leiper, 1999). For this reason, human resource issues in the tourism sector are attracting increasing attention (Hjalager, 2005), but much of the research is on the large firms in literature.

In the small firms, where the organizational structure is limited, there are usually few managers, and ownership and control are often concentrated in the hands of a single person. Consequently the attitudes and values of the owner/manager will have a profound impact on the enterprise's organizational framework, policies, and social relations (Boer et al., 1997). According to Lerner and Haber (2000), the level of performance of the small venture is primarily attributed to the education, experience, and skills of the entrepreneurs, as well as to their personal entrepreneurial characteristics. Boer et al. (1997) assert that entrepreneurs generally value their independence highly and exhibit dominant psychological characteristics, which result in a managerial style that is typically autocratic, impulsive, egocentric, and unpredictable. For these reasons, human resources practices vary highly among small firms, are often determined by the ideology and pluralistic goals of the small business owner, and as a result of its informality, are more sophisticated than usually expected (Brand & Bax, 2002).

Although human resources play a vital role in developing and sustaining a competitive advantage for small businesses (Brand & Bax, 2002), the blame for failure in these firms has often been placed with personnel-related problems (McEvoy, 1984). However, human resources play a vital role in developing and sustaining a competitive advantage for these firms. In light of the emerging research indicating a positive relationship between firm performance and HRM practices (Becker & Gerhart, 1996), the effective management of employees is emerging as a key variable in the survival of small

firms (Wagar, 1998). Deshpande and Golhar (1994) stated that “inadequate and inefficient management of human resources of firms have often resulted in low productivity, and high dissatisfaction and turnover among the employees.” In spite of its importance in small- and medium-sized enterprises, there are limited surveys on the human resources management (HRM) practices of the small- and medium-sized tourism enterprises in Turkey. The purpose of this article is to describe the current HRM practices that are applied by SMHEs in Turkey.

LITERATURE REVIEW

A firm’s human resources have an asset value that corresponds to the present value of future net cash flows that are derived from the skills, motivation, and adaptability of the firm’s workforce (Becker et al., 1997), and companies are increasingly relying on their human assets as a source of competitive advantage. However, the management adopts little commitment to an HRM ideal that views labor as “human assets” in SMHEs. Rather, the approach is based on treating labor as a cost with management adoption of cost-minimization practices (Timo & Davidson, 1999). Consequently, if it is recognized that employees have a key impact on “added value” and service quality instead of being simply providers or deliverers of the product, SMHEs would remain successful (Lee-Ross, 1999).

Difficulties in communication and planning as well as low motivation and insufficient career options are mentioned as core problems in tourism enterprises (Peters, 2005). In addition, SMHEs cannot meet young employees’ job expectations and can only provide insufficient conditions to attract labor, particularly in terms of fast career paths and promotion ladders. Hence, employee turnover rates tend to be very high and market entry barriers for nontourism-trained employees are low (Peters, 2005). In addition, negative perceptions of industry career opportunities have been shown to prevent talented individuals from entry into the tourism industry’s workforce (Pizam & Tesone, 2005). Finally the peripheral location of the many SMHEs increases the challenges that companies face in relation to obtaining, developing, and retaining skilled labor.

According to Baum (1999) all tourism businesses, large and small, need to focus on the delivery of quality service for attaining a competitive edge, and in order to achieve this, investment in all stages of HRM is essential. For this, Wagar (1998) suggests that small firms should emulate successful large firms in managing their human resources activities. In the following sections, employment structure in SMHEs was analyzed initially, and then HRM practices were analyzed within the following categories: recruiting and selecting, training, and performance evaluation and job analysis.

Employment Structure

A major theme in the small business literature has been the examination of the informality of relations between employers and employees (Coetzer, 2001). Informality then characterizes employee relations in small firms (Wilkinson, 1999) and informality is still regarded as the most appropriate approach to effective working relationships in the small business environment (Harris, 2002).

The quality of personal relations within small firms, both between employer and workers and between workers themselves, is such as to promote a spirit of cooperation, mutual understanding, and moral attachment—in short, industrial harmony (Boer et al., 1997). Also Barrett (1999) defined industrial relations in small firms as harmonious and qualitatively better than those in large firms.

Because of the low levels of professionalism in the management of human resources, small- and medium-sized enterprises are considerably less likely to be unionized and thus have more freedom in determining their human resources strategy (Wagar, 1998). Dundon et al. (1999) explained that “the reasons usually given for low membership relate to the ideological opposition of owner-managers as well as difficulty in unions organizing.” Also Boer et al. (1997) noted that the widely held belief was that small firm employees had no need of collective, trade union representation because they enjoyed a personal relationship with the owner, in which problems could be resolved easily.

In Turkey, some trade unions were disbanded and the activities of several others were suspended after the military coup in 1980. Transition to a parliamentary regime by the 1983 elections enlarged the activities of unions. Although the status of workers in both the state and private sectors were extended, unionization rights or guarantees against layoffs were not allowed. Also, the economical crisis experienced and the high level of unemployment diminished labor wages, and this has weakened the bargaining power of workers.

Özcan (1995) defines three areas where the organization of workers has failed in small firms in Turkey:

First, there has not been a widespread geographical diffusion of trade unions, most union activities are centered in the industrialized metropolitan centers of Istanbul, Ankara, Izmir, Kocaeli, Adana. Second, female workers and child labor are excluded from the union movements and bargaining power. Third, paternalistic control and family involvement in small firms has hindered the movements of the labor organizations in the small and medium sized enterprises sector of the economy.

In relation to female employment in Turkey, Özcan (1995) explains that:

The position of women in the labor force has a social significance, indicating attitudes towards their roles in Turkish society. Women's participation in the workforce is also directly related to the level of urbanization. The increasing education of women and modern aspirations has encouraged more female involvement in economic and social activities in large cities. However, at the same time, the social structure of families and the tight social networks of small and medium-sized cities have not supported this process. Traditional values, which serve to prevent women from working outside home, are still strong. Additionally, there are cultural and religious values and family considerations which influence female employment.

However, these issues are not specific to Turkey but rather are widely observed in several different cultures.

In the accommodation sector of Turkey, 261,340 men and 43,319 women are employed; in other industries, the total number of men employed is 3,443,881, and for women it is 636,181 (Labor Statistics, 2005). These data indicate that female employment in Turkey is extremely low, which is not unique to the accommodation sector. A number of studies indicate that women and men do not benefit equally from tourism development (Harvey et al., 1995). Women in tourism also face particular obstacles, in the form of barriers to training, public influence, and the limitations imposed by socially ascribed gender roles (Scott, 2001).

RECRUITING AND SELECTING

Virtually in every country, the weakest link in the service delivery system has been typically the quality of workers (Go, 1997). For this reason, it is generally accepted that the highest ranked issues in small firms focus on the need to recruit, select and retain a quality workforce (Hornsby & Kuratko, 1990; Heneman & Berkley, 1999; Ng & Maki, 1993; Heneman et al., 2000).

When the literature is examined, the problems relating to recruitment in small firms are mentioned as,

- Limited financial and material resources (Cardon & Stevens, 2004),
- Multiple roles with unclear boundaries (Heneman & Berkley, 1999),
- The owner or operator taking personal charge of recruitment and selection as a result of absence in formal HRM practices in relation to recruitment (Coetzer, 2001; Timo & Davidson, 1999),
- As a result, poor recruitment and selection decisions are often blamed for subsequent disciplinary problems in small firms (Carroll et al., 1999).

Small- and medium-sized enterprises prefer informal recruitment sources, and such informality is exemplified by the adoption of "word of

mouth” as the most popular means of recruiting (Coetzer, 2001). But, it is expected that as firms grow, the skills and abilities required to perform various functions and activities would no longer be available from the familiar and informal recruitment, and a greater variety of formal recruitment sources would be used to attract suitable candidates (Kotey & Slade, 2005).

Golhar and Deshpande (1997) indicated that “job posting and bidding are important recruitment strategies for small and large firms and under this method, an employer notifies all current employees of job vacancies within the organization. Small firms provide qualified employees with an opportunity to obtain better jobs within the organization and in this manner small firms are committed to employee career growth and development.”

Small firms extensively consider noninstrumental factors in their hiring, including the norms, values, and beliefs of the organization and the applicants (Williamson, 2000), and person–organization fit (Chatman, 1991) is often an important factor in the selection decision. Often managers focus on the match of applicant competencies to general organization needs rather than to specific job requirements (Heneman et al., 2000).

TRAINING

Training is a key element in the ability, morale, job satisfaction, and commitment of staff; in the improved delivery of service and customer relationships; and in economic performance (Nolan, 2002). However, many small firms relied on experience and prior knowledge rather than formal training (Simpson et al., 2004). Given the growing importance of smaller firms in the economy, it is important to focus attention on their experiences with regard to both their skill shortages and their attempts to overcome these shortages through training (Blackburn & Hankinson, 1989). Since training is potentially one of the most important motivators, small firms should recognize the importance of developing the knowledge, skills, and abilities of its employees.

One of the frequently mentioned issues is the relative lack of training in smaller firms (Brand & Bax, 2002). Arthur and Hendry (1990) explain this “economies of training” by the fact that small firms have a higher probability of labor turnover, because they offer less opportunity for career development. As a result, better-trained employees will choose opportunities elsewhere leaving the small firm behind with its less-trained employees and a depleted training budget (Brand & Bax, 2002). Blackburn and Hankinson (1989) found that small firm owners are skeptical about the efficacy of existing formal training programs and they tend to see training as an expense rather than an investment. Training resulting in highly specialized staff was considered inappropriate due to the need for staff with multiple skills to cope with the highly flexible nature of the work (MacMahon & Murphy, 1999).

According to Thomas et al. (1998) and Coetzer (2001), two of the indicators of a systematic approach to training are the existence of a training plan/policy and a specific budget for training. Becton and Graetz (2001) noted that barriers to further training include the cost of training and inflexibility of hours, and place of delivery in tourism and hospitality businesses. In fact, many small firms pride themselves on providing workers with more hands-on, highly interactive learning opportunities and on avoiding formalized systems and practices more typical of large bureaucratic organizations (Cardon & Stevens, 2004). Although the importance of formal training in organizations is cited frequently, Johnson (2002) claimed that there is little convincing evidence to suggest that increased investment in formal training leads automatically to improved business performance for small- and medium-sized enterprises.

Orientation is one specific form of training and it is a long-term process where individuals learn their roles within an organization, and adjust to job demands, organizational culture, and other incumbents (Cardon & Stevens, 2004). Such programs help employees to overcome uncertainty, become familiar with the organization, and begin making a positive contribution (Kaman et al., 2001).

PERFORMANCE EVALUATION AND JOB ANALYSIS

Another important issue related to HRM is the evaluation of the employee performance. Performance evaluation means measuring an employee's job performance against set standards, providing feedback on performance, and taking action to correct poor performance (Jerris, 1999). Once integrated into the workplace, an employer needs to know how well the employee is performing and use performance appraisal to reward the employee appropriately, or to advise him about the advancement opportunities in the organization.

Given that productivity in small firms tends to be lower and that small companies often have problems retaining staff, it would be beneficial for small companies to put in place performance-management systems, which would be linked into rewards, training, and productivity (MacMahon & Murphy, 1999). Kotey and Sheridan (2004) found that the majority of firms appraised performance of their employees, particularly in small and medium firms, and for microfirms, the close association with employees enables owners/managers to observe and correct poor performance almost immediately.

Job analysis serves such purposes as identifying employment and training needs, clarifying tasks to be performed, and meeting the equal-opportunity employment requirement (Amba-Rao & Pendse, 1985). Such analyses also enhance employee satisfaction and motivation. The findings of Kotey and Slade (2005) imply that job descriptions that minimize

errors in the recruitment and selection process are implemented early in the growth process as employees unknown to the owner/manager join the firm, and jobs are not always clearly defined even in the larger firms. They have also noted that job descriptions in small firms are vague because over time jobs change or develop, and employees often create their own jobs.

METHODOLOGY

In Turkey, there are 2,325 operations certified as hotels registered to the Ministry of Culture and Tourism. They differ in size and service quality, and constitute the study population. The population frame was taken from the ministry and 1, 2, and 3-star rated hotels were selected as the sample of the study as they have small- and medium-sized enterprise characteristics (Turizm Gazetesi, 2005). The total number of the sample was 1,370. However, because of the accessibility and classification difficulties observed, municipality certified hotels were not included in the survey.

The questionnaire was based on the earlier instruments used by Thomas et al. (1998); Friel (1999); Page et al. (1999); and Yolal (2003), with the questions adapted to the conditions of SMHEs in Turkey. The questionnaire consisted of nine sections including enterprise and ownership, business operations, finance, human resources, marketing, information technologies, service quality, environmental protection, and future expectations. The data were evaluated in percentages. The findings related to HRM were presented under the headings of employment structure, recruiting and selecting, training, and performance evaluation and job analysis.

A mail survey was employed in the research. Questionnaire forms were mailed to 1,370 hotels in July 2005, and hotel managers were requested to reply. As the response rate was low, approximately 500 hotels were randomly selected and phoned in September and the managers were reminded about the questionnaires. The total number of responses reached to 347 ($n = 347$); thus the response rate was 25.3%. However, since the data in 34 forms were not reliable, they were excluded ($n = 313$). The actual response rate, then, was 22.8%, and although the rate is low, this is comparable with other postal surveys on small- and medium-sized tourism enterprises (Thomas et al., 1998), in which a rate of 26% was received.

FINDINGS

Twenty of the respondent enterprises in the survey were 1-star hotels (6.4%), 147 were 2-star hotels (47%), and 146 of the respondents were 3-star hotels (46.6%). Urban hotels comprised 62.3% of the enterprises, while 37.7% were resort hotels. Table 1 illustrates the distribution of SMHEs as micro-, small-, and medium-sized hotels. This table is based on the full-time employment

and the criteria stated in the European Union Commission of Staff Working Paper—2005. According to the employment criteria, 60.54% of the enterprises were small sized, 34.78% were micro-sized and 4.68% were medium sized.

Presented already are the general characteristics of SMHEs. Research findings are presented in the following, parallel to the literature. Although the aim of the study is to define the current HRM practices in SMHEs in Turkey, the findings related to the employment structure and the general conditions of personnel are gathered under the title of employment structure, and HRM practices are analyzed under the headings of recruiting and selecting, training, and performance evaluation and job analysis.

Employment Structure

The existence of a professional human resources manager is vital for effective HRM. For this reason the enterprises were asked to indicate managerial positions employed in the firms. Only 18.2% of the hotels employed human resources managers. When compared with other managerial positions in these firms, it is seen that the employment of human resources professionals has the lowest rank following recreation manager, which can be interpreted as the importance of HRM is not well understood by SMHEs. Yet, the quality of the services requires skilled personnel and the qualities of the personnel are obtained by seeing them as an entity and investing in them as internal customers. In order to succeed in this, formal HRM approaches are necessary for such functions as recruiting, selecting, training, and performance evaluation, and they should be conducted by human resources professionals. However, the low rate of firms employing human resources professionals indicates that these functions are undertaken by owner/managers or by other department managers.

In order to trace the employment structure of SMHEs, employment figures are listed in Table 2 according to different criteria.

All of the respondent firms had “full-time” personnel and the total number of people employed full time was 5,681. On average, firms had 19 full-time employees. Of the firms, 25% employed “part-time” employees, and the average was 6.7 people. In addition, 67.4 percent of the firms indicated that they operate annually and their employees totaled 4,041 personnel. The

TABLE 1 Range of Firms According to the Number of Employees

Grouping	Number of Firms	% of Total
Micro 1–10 employee	104	33.2
Small 11–50 employee	181	57.8
Medium 51–250 employee	14	4.5
Missing	14	4.5
Total	313	100

TABLE 2 Employment Types and Numbers in Hotels

Employment Types	n (Number of Firms)	n (Number of Employees)	Average Number of Employees per Hotel
Full-time employees	299	5681	19
Part-time employees	78	524	6.7
Student trainees	114	405	3.5
Employees from the host community	141	2211	15.7
Employees from the other regions	94	1284	13.7
Employees graduated from tourism schools	186	1217	6.5
Skilled in foreign languages	242	1768	7.3
Family members of the owner	185	537	2.9
Female employees	258	1584	6.1
Members of a union	4	56	14
Missing	14		

average number of employees for these annually open firms is 19.2. This is the indicator of the contribution of annually operating SMHEs to the full-time employment in Turkey.

The number of seasonal firms was 95, and in peak periods they employed 2,918 people (30.7 per hotel). This finding is also supported by the findings related to local employment. Because the responses to the questions aiming to evaluate their contribution to the local community indicated that 141 firms (45.0%) employed 2,211 people from the host community, 15.7 people per hotel, while 94 firms (30.0%) employed 1,284 people from other regions. It is believed that the personnel employed from other regions increased the total employment figures in seasonal hotels.

The number of employed women is crucial for a sustainable approach in tourism both in the local and national level. In 258 firms responding to the question, 1,584 women were being employed. Although the rate of firms employing women was high, the female employment rate within all employed in these firms was as low as 27.9%.

Having skilled personnel is important for the service quality in tourism firms. For this reason, educational levels and foreign language skills of the personnel in SMHEs were also questioned. In 186 hotels, there were 1,217 personnel trained in tourism schools at any level, and the average was 6.5 per hotel. The rate of tourism-trained employees in total employment was 21.4%. In the same manner, only one-third of the total employment has foreign language skills. Findings reveal that tourism-trained and foreign-language skilled employment in SMHEs is relatively low.

The most striking finding related to the figures of employment is the number of unionized personnel. Only four hotels (1.3%) have unionized personnel and their share in total employment is merely 0.9%.

TABLE 3 Personnel Recruiting Sources

Recruiting Sources	%
Word of mouth	65.2
Local media	38.3
Vocational tourism high schools	29.4
Internal recruiting	25.9
Vocational schools of university level (2 years)	23.0
National media	14.1
Vocational schools of university level (4 years)	13.4
Internet	8.9
National Employment Agencies	7.3

RECRUITING AND SELECTING

Determining the personnel need according to human resources planning is very important for both human resources practices and the business. However, most of the firms (78.3%) stated that they determine personnel need when some personnel resign. Such a practice does not allow enough time for recruiting the best candidate for the job and leads to selection of any group of people in order to meet the current employee needs. Contrary to the importance of human resources planning, merely 14.8% of the respondent firms indicated that they use human resources planning for the purpose of determining the personnel need.

In the study, it was found that 65.2% of the hotels recruited employees via word of mouth (Table 3). This method risks finding employees according to job requirements, leads to employee turnover due to adaptation problems that the new employees face, and diminishes the service quality as a result of problems in job satisfaction. Such methods also result in conflicts among employees and personnel related costs.

The use of local media (38.3%) is ranked second as a means of recruiting, and vocational high schools is third with 29.4%. The least preferred recruiting source is the use of employment agencies (7.3%). Internal recruiting is found to be used by the 25.9% of the firms. Although not highly ranked, it is worthy of attention.

Related to the selection of the candidates, 95.8% of the hotels indicated that they used face-to-face interviews. Also, 62.9% stated that they selected personnel by the final decision of the owner/managers. On the other hand, 35.8% of the firms used tests in order to find out whether the candidate is suitable for job requirements. Finally, 18.2% of the firms selected employee by the decisions of a commission.

TRAINING

Related to training, 74.8% of the firms stated that they conducted on-job training. However, when the training frequencies were examined, it was

TABLE 4 Training Topics

Training Topics	%
Customer relations	83.8
Service quality	80.3
Sales and marketing	27.8
Foreign language	26.5
Orientation	16.7
Training of the managers	7.7

revealed that 77.4% of the hotels conducted training when required. The rate of hotels training their employees on a regular basis is merely 11.1%.

The topics covered in training sessions (Table 4) mostly focused on customer relations (83.8%) and on service quality (80.3%). This finding reveals that the hotels are customer oriented and consider service quality important. It is necessary to accept the employees as internal customers and train them in order to achieve customer loyalty by increasing service quality in a labor intensive industry, as in the case of hospitality.

The rate of hotels training their employees for developing their language skills is 26.5%. As can be traced on Table 2, 31.1% of the total employees have foreign language skills. Despite the fact that an international business like tourism requires employees to have language skills, the rate of hotels training their employees on such skills is relatively low. On the other hand, only 7.7% of the firms train their managers. In the same manner, the rate of firms providing orientation for their employees is also very low, at only 16.7%.

The methods used in determining the training needs are also important for a successful HRM. The firms in the study were asked to indicate how they determined training needs and 51.8% of the firms indicated that they decided when the service quality dropped and the customer complaints increased. In addition, 43.5% of the firms conducted training according to the results of performance evaluation. The number of firms determining the need for training according to human resources planning is very low (10.2%). However, conducting training on a regular and continuous basis according to human resources planning and the results of performance evaluation is crucial for the success of the firms. In this process, training requests of the personnel should also be taken into consideration.

PERFORMANCE EVALUATION AND JOB ANALYSIS

In the study, although 69.6% of the firms conducted performance evaluations, 54.6% of them indicated that they evaluated performance whenever needed. Similarly, 60.3% of the firms analyzed the jobs. However, 55.0% of the firms

did it whenever needed. These are the indicators of the informal approaches to job analysis.

It was also found that duties and responsibilities are determined in written form in more than half of the firms (56.5%). This reveals that job descriptions existed within more than half of the hotels.

DISCUSSION AND CONCLUSION

Since the tourism industry is labor intensive and requires face-to-face interaction with customers, service quality depends mostly on the quality of personnel, and for the success of firms, effective management of the employees is crucial. Despite the importance of HRM for small- and medium-sized tourism enterprises, HRM practices of SMHEs were not studied in Turkey, and the article presented here is the first study of its kind.

Employment Structure

Although, Hess (1987) stressed the high relative-importance of general management activities and, to a lesser extent, personnel/employee relations, 57 firms out of 313 in this study had HRM departments. This finding may be explained by the fact that many specialized human resources activities, such as recruiting, are infrequently performed in small businesses, the costs of hiring highly trained human resources professionals are likely to be prohibitive, and as a result, human resources activities often become the responsibility of general managers, rather than professionals.

SMHEs are seen as contributing to full-time employment, as expected, however the contribution of seasonal hotels is under question. SMHEs are expected to employ people from the host community, but the number of people employed from other regions cannot be underestimated. This may be explained by the fact that the unemployment rate is high in Turkey, and people from different regions move to tourism destinations for work. Gezici (2006) conducted a survey in Side, Antalya, and found that the rate of people employed in hotels from the host community was 6.7%. In the same manner, the female employment level was found to be limited in SMHEs, but this was not surprising since female employment in the service industry in Turkey is relatively low (TSI, 2006).

SMHEs are facing problems in employing quality personnel. However on the report *Industry as a Partner for Sustainable Development* prepared by WTTC (2002), it was stated that SMHEs contribute to sustainability by allowing young and unqualified people to enter the workforce.

Labor unions are also major problems of working life in SMHEs. However, the unionization of the labor force in Turkey was suspended, especially

after 1980. This finding is supported by Boer et al.'s (1997) explanation that small firms are shown to have less industrial action and lower rates of labor unionism than larger firms; this is particularly true in the service sector.

RECRUITING AND SELECTING

Human resources planning is the process of assessing the organization's human resources needs in light of organizational goals and of making plans to ensure that a competent, stable workforce is employed (Jerris, 1999). Despite the importance of human resources planning, only a minority of the businesses in the study stated that they determine personnel needs according to the plans. The majority of SMHEs determine personnel needs when some employees quit the business. In support of this, Timo and Davidson (1999) expressed that offers of employment are usually made on a casual basis, and this informal job tenure is often a port of entry into permanent employment.

In previous studies it was found that at the operational level, word of mouth was the main recruitment source for small tourism and other businesses (Thomas et al., 1998; Coetzer, 2001; Kotey & Slade, 2005; Carroll et al., 1999). In the same manner SMHEs in Turkey make use of word of mouth for recruiting purposes. This method has advantages of speed and cost, not only is the new recruit a "known quantity" but this method is sometimes recommended to employers as a way of reducing staff turnover (Carroll et al., 1999).

Hornsby and Kuratko (1990) found that newspaper advertisements, employment agencies, employee referrals, and walk-ins are used extensively as recruiting tools by small businesses. Thomas et al. (1998) found that local press and employment agencies are the second and third most popular choices. The findings of Thomas et al. (1998) are compatible with our findings in the research that the use of local newspapers is ranked in second place.

Deshpande and Golhar (1994) stated that human resource managers prefer to fill vacancies from within the organization and small firms do not make much use of external sources of recruitment. Contrary to the findings of Deshpande and Golhar (1994), internal recruiting is ranked fourth for Turkish SMHEs. This can be interpreted as meaning that the use of external sources for recruiting is popular among SMHEs.

Most of the businesses indicated that they select personnel using face-to-face interviews. This finding is in line with the findings of Golhar and Deshpande (1997). In support of this, Kotey and Slade (2005) found that the interview was the predominant selection method at the operational level for small firms. The second-ranked selection method among the businesses is by the final decision of the owner/managers. Such a practice makes the right selection difficult. In this phase the most suitable way is to set up a

commission by the participation of departmental managers. However the least-preferred selection method stated by the businesses in the study is the use of such commissions. Since the employment levels of professional human resources managers in SMHEs are limited, it is not surprising to discover that the owner/managers decide on the selection process.

TRAINING

Most of the businesses in the study reported that they conduct training when needed. However, in order to benefit from training, it should be conducted on a regular basis. This result is supportive of Johnson's (2002) assertion that the training that does take place in most small- and medium-sized enterprises tends to be informal, on-the-job, and related to short-term business objectives or problems. In support of this, Thomas et al. (1998) and Coetzer (2001) expressed that, small businesses experience problems in providing training for both owners/managers and workers. In the study, the number of firms training their managers was also found to be low.

In their research on small- and medium-sized enterprises in Australia, Kotev and Slade (2005) found that small firms were more likely to provide orientation training for new employees than microfirms, and they expressed that for small and medium firms the need to minimize the risk and costs associated with employing staff from sources unfamiliar to the owner/manager. Also Wagar (1998) found that close to two-thirds of respondents had an orientation program for new employees. But, the low rate of firms in the study providing orientation for their employees reflects an opposite situation. However, it is important for the productivity of employees in these businesses to have orientation programs for the new employees.

MacMahon and Murphy (1999) noted that small- and medium-sized enterprises rarely carry out formal training-needs analysis and have no systematic approach to training. Also Matlay (1999) found that in microbusinesses current and future training needs were evaluated informally, mainly on the basis of personal perceptions or expectations. Similarly, the results of the study indicate that SMHEs carry out training whenever the service quality drops and the guest complaints increase. This is the indicator of informality of training in SMHEs. Having formal, continuous training for the employees based on performance evaluation and training requirements of the personnel would carry the firms to success.

PERFORMANCE EVALUATION AND JOB ANALYSIS

Previous studies reveal contradicting findings related to performance evaluation. Amba-Rao and Pendse (1985) and Wagar (1998) found that half of the firms in their research had a formal performance evaluation. Hornsby and

Kuratko (1990) concluded that most appraisals are conducted annually. On the other hand, Kotey and Sheridan (2004) found that performance evaluation in small firms occurred at less-frequent intervals, compared to larger firms. Although two-thirds of the SMHEs in Turkey conducted performance evaluations, the number of firms doing it on a regular basis was low.

Amba-Rao and Pendse (1985) found that 46% of the responding small firms indicated that they used job analysis. More than half of the firms in the study stated that they carry out job analysis, but as in the case of performance evaluation and training, the firms expressed that they conduct job analysis whenever needed. In fact, job analysis presents valuable data for many functions of HRM. Making use of job analysis is important, specifically for recruiting and selection of the best candidates. It is clear that SMHEs could not comprehend the value of job analysis and they do not carry out formal procedures in job analysis. Similarly, Carroll et al. (1999) found no evidence whatsoever of formal job analysis being carried out systematically in small- and medium-sized enterprises.

The managers perceive job descriptions to be too rigid, restricting the flexibility of their firms (Carroll et al., 1999). McEvoy (1984) found that over one-third of all respondents did not maintain written job descriptions for most jobs. MacMahon and Murphy (1999) reported that poor job descriptions lead to role conflicts and employee frustration. More than half of the firms in the study stated that they have written job descriptions and this could be read as low levels of authority conflicts in SMHEs.

When the findings are evaluated as a whole, we can conclude that most of SMHEs in Turkey do not employ formal procedures in HRM practices. Findings related to the low levels of HR professionals, word-of-mouth recruiting, selecting decisions made by owner/managers, the application of performance evaluation, training, and job analysis when needed are all supportive of this conclusion. In turn, Harris (2002) found that companies were increasingly formalizing their employment processes, largely to defend their decisions against potential litigation. But formal processes were not viewed by the respondents as a positive development and informality was still regarded as the most appropriate approach to effective working relationships in the small-business environment. Also Carroll et al. (1999) and Kotey and Sheridan (2004) stated that because of the closer relations between owner/managers and the personnel, there is an informal structure in microfirms and this reduces the need for detailed documentation. According to Harris (2002), flexibility is viewed as essential to effective working relations in the smaller enterprises, and Kotey and Sheridan (2004) conclude that flexibility is critical to the success of the microfirms, since increased documentation and formal structures and controls will reduce the flexibility required to respond quickly to the changing strategic orientation. From these explanations it may be argued that formal human resources practices are not necessary for microfirms. Closer relations between owner/managers

and personnel create an opportunity for the owner/managers to control the personnel and, in the case of low motivation and low-quality service, get them to respond quickly for the corrective actions.

However in small- and medium-sized enterprises, where the personnel number is greater than the microfirms, more formal HRM practices should be applied because of the difficulties faced in the management and control of the employees. The acceptance of such formalization relies mostly on the financial resources of SMHEs and the persuasion of owner/managers on the benefits of formalization. For the succession of formal human resources practices, professionalism is required in the management of human resources. However the most important barrier in employing professionals is the uncompetitive salary levels compared to larger organizations.

In the case of Turkey, where SMHEs suffer from serious financial resources (Emeksiz, Yolal, & Cetinel, 2007), the firms should be supported by the government, and the government and related institutions should consider establishing training programs for improving the managerial competencies of owner/managers, especially on the benefits of professional HRM practices. However, the lack of cooperation and collaboration among the bodies is the most important barrier to such training programs. For this reason, the cooperation among the ministry, universities, and the firms should be initiated, and managerial training programs should be developed on the basis of owner/manager and industry needs. Such programs could be conducted in the form of training seminars or online training portals, since 87% of SMHEs are Internet users (Yolal, Emeksiz, & Cetinel 2007).

The main limitation of the study lies in the fact that it is hotel specific. Similar studies should also be conducted for the other small- and medium-sized tourism enterprises, such as restaurants and travel agencies, to improve HRM practices in small- and medium-sized tourism enterprises. Another limitation is the relatively low response rate of middle-sized firms. In further studies HRM practices and firm size may be compared. Finally, it is clear that the topics raised require additional studies that would gain further knowledge of the HRM practices of small- and medium-sized tourism enterprises.

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