

# Understanding Work-Family Issues Key to Competitive Advantage for Hotels

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Hotels seeking to develop a competitive advantage through their deployment of human resources should focus on one critical issue argue the SHTM's Qu Xiao and a co-author in a recently published research paper. By investigating hotel general managers' perceptions of strategic issues related to human resources, the researchers develop a framework for understanding the importance of work-life balance to a hotel's success. Although drawn from the US hotel industry, their findings have significant implications for hoteliers around the world.

## Strategic Management and Work-Family Practices

Strategic management is critical to any organisation's success and involves executives scanning the operating environment, identifying strategic issues, formulating responses and enacting appropriate strategies. Their perceptions of what makes an issue strategic are affected by factors ranging from the type of organisation in which they work to their own employment background. Yet they can usually be expected to identify issues that "include external opportunities and threats, and when linked with organisational strengths, lead to strategic advantage for the firm".

Amongst the issues that have the potential to provide hotels in particular with a sustainable competitive advantage are the ways in which human resources are handled and deployed. The researchers note that successful human resource management can help to develop hotel-specific competencies, produce "complex social relations" and generate tacit organisational knowledge.

However, some current human resource practices curtail these outcomes. The researchers comment that hotels often "encourage employees to work as many hours as possible, including weekends and holidays". There is also a predominance of shift work, rotating schedules and weekend work, coupled with the notion of 'face time' – whereby employees are expected to "be physically present at virtually all times", even when not needed.

The researchers argue that changing to a more family friendly culture could enable a hotel to "gain a competitive advantage through reduced absenteeism, reduced turnover and superior retention and productivity of employees". In other words, family friendly practices could have strategic value. They thus set out to discern how hotel general managers (GMs) identify work-family issues as components of their strategic issue perceptions, and how their organisational cultures relate to the work-life issues that concern them.

## General Managers Interviewed

To achieve those aims, the researchers conducted face-to-face interviews with the GMs of 49 full-service hotels across the United States as part of a larger research project on work-family issues at all levels of the hotel industry. Full service hotels were the focus because their GMs have both strategic responsibilities and multiple managers reporting to them. The hotel sizes ranged between 218 and 2,000 guest rooms, and employee numbers between 105 and 1,200.

Of the interviewed managers, 45 were male and their ages ranged between 37 and 62 years. The interviewees had from 13 to 45 years of experience in the hotel industry, including up to 25 years as GM. All but three of the interviewees worked for major international hotel companies.

## Themes Identified

In analysing the interviewees' responses to questions addressing strategic considerations, human resource issues and personal advancement, the researchers identify a number of major themes. These include opportunities, threats, competitive advantages, management style, personality, the existence of mentors, experience, organisational culture, workplace flexibility, communication of best practices, use of technology, career considerations, family life and turnover.

Focusing on the strategic issues, the researchers note that the GMs' perceived opportunities mainly related to "competition, general economic growth/decline and market demands". Perceived threats mainly included competition and changing levels of demand. Moving away from market considerations alone, perceived competitive advantages included location, facilities and brand, along with human resources.

A large minority of the GMs believed that people were amongst their most critical competitive advantages. Yet more than half did not agree, which suggests that work-family issues might only be part of the strategic management process for some GMs. The researchers thus develop the themes they identify into a framework for understanding just how work-family issues and human resource management can create a competitive advantage.

### **A Framework of Interacting Strategic Issues**

The framework shows the ways in which the themes identified interact with each other. Taking a broad view, the researchers note that work-family issues such as workplace flexibility, the communication of best practices, turnover and career advancement interact with hotel culture and management style. These issues also relate to how technology is used in hotels. For instance, the provision of laptops to managers so they can leave work earlier links directly to workplace flexibility, positively or negatively depending on the attitudes of individual managers. The researchers stress that all of these relationships, taken together, "provide an overall work-family related domain that is closely related to competitive advantage".

More specifically, at the core of the framework is the GM's management style, which can be influenced by such factors as personality, family life, mentors and experience. As the researchers note, management styles seem "to evolve in a more family-friendly direction as GMs' tenures and experiences accumulate". They also suggest that GMs who need more flexibility for their own family lives tend to offer more flexibility to the managers below them. Management style thus extends its influence to the hotel's overall culture.

That culture can range from a prevailing 'pay your dues' attitude to a family friendly philosophy. Regardless

of its type, a hotel's culture affects managers' family lives through their career advancement and workplace flexibility. The researchers suggest that as hotel cultures shift towards allowing managers to turn down promotions and relocations for family reasons, those managers will feel that they have more flexibility in designing their own career paths.

Indeed, the GMs indicated that workplace flexibility had improved significantly over the last decade, which in turn had a positive effect on family life. The researchers note that family life is also a factor that influences decisions to switch to another hotel or leave the industry altogether. This is particularly significant because low turnover rates are regarded as an important element of human resource related competitive advantage.

### **The Benefits of Work-Family Balance**

Although not all hotel GMs factor work-family issues into their strategic decision making, the researchers provide an illustrative framework of the consequences when they do. In short, those GMs that are specifically looking to achieve a competitive advantage through their human resources should address one specific issue: work-family balance.

#### **Points to Note**

- Human resource management can create a competitive advantage for hotels, but some existing practices do not.
- Hotel GMs in the United States are divided on whether people provide a critical advantage.
- Yet from a strategic perspective, work-family issues have a broad influence on hotel culture and operations.
- Ultimately, the provision of work-family balance will provide a competitive advantage.

Xiao, Qu and O'Neill, John W. (2011). Work-family balance as a potential strategic advantage: A hotel general manager perspective. *Journal of Hospitality and Tourism Research*, Vol. 34, No. 4, pp. 415-439.