

Sacking, staffing and supervision in commercial hospitality

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Abstract

Anecdotally, hospitality has a reputation for poor ethical standards, and preliminary results from this doctoral study indicate such a reputation is well founded. However, the expected crimes of sexual harassment, theft, the service of alcohol to minors, and poor food hygiene, do not appear to be the main concerns. Instead, staff complain of persistent unfair treatment by supervisors, and the struggle to provide service in an environment of poor training and critical under-staffing.

This paper investigates the incidence of constructive dismissals and harsh treatment by supervisors in the Auckland hospitality industry, and the under-staffing and high turnover rates currently being experienced. Initial quantitative and qualitative analyses from 453 questionnaires are presented, in an attempt to shed light on some disturbing trends in this industry.

Hospitality has a crucial role in tourism, which accounted for 14% of New Zealand's export earnings in 2002 (Provisional Tourism Satellite Account 2000-2002, 2003). Understanding the cause and extent of unethical behaviour is a significant step towards protecting the New Zealand industry from the traditions of opportunism and moral insensitivity prevalent in the hospitality industry in some countries.

1 Introduction

The requirement to please customers (and therefore management) places employees in a weak and subservient position, which is further compounded by sexual harassment (Guerrier & Adib, 2000), low pay (Mars & Nicod, 1984; Beck, 1992) and poor personnel practices (Price 1984). In such an environment, it is not surprising to find staff turnover is high, and training is considered by many staff to be inadequate.

Most hospitality businesses pay poor wages, and some operate according dubious employment practices. Preliminary research indicates that constructive dismissals and ad hoc disciplinary procedures are common, especially through the allocation and timing of duties. An earlier survey of 58 hospitality students in Auckland identified 37 different employment related problems, 11 of which were disciplinary issues (Poulston, 2000).

Hypothesis

It was initially hypothesised that hospitality managers both passively and actively support unethical behaviour, by providing inadequate financial, physical and human resources to meet profit targets by ethical means. It was expected that managers were aware of unacceptable behaviour, but supported it in order to achieve their short term profit goals.

Although a wide range of unethical solutions is used to solve day to day problems in hospitality (Poulston, 2000), the precise causes and predictors of such behaviour were not known. The following hypotheses therefore outline the causes and predictors tested in this research.

- H1 Management is aware of unethical behaviour but does not take preventative action unless the organisation's profits are likely to be compromised
- H2 Management actively supports and causes unethical behaviour

Other possible influences on unethical behaviour, such as department, position, employment type, hotel size and hotel standard, were also tested.

2 Methodology

Exploratory research identifying ethical issues in hospitality was undertaken in 2000, followed by a pilot study testing a range of questions designed to identify relationships between possible causes and predictors of unethical behaviour, and tolerance of unethical behaviour according to demographic characteristics. After some minor adjustments, questionnaires were distributed amongst hospitality staff, supervisors and managers in 25 Auckland hospitality workplaces, and to hospitality students at Auckland University of Technology. The collection of data will continue until 500 responses are reached, and in this respect, the continued cooperation and assistance offered by General Managers and Human Resources Managers in Auckland hospitality business is important and appreciated.

To date, 1673 questionnaires have returned 453 usable responses. Of the remainder, 215 are still in circulation, some of which will be collected as usable data. Quantitative data were analysed using SPSS and qualitative data will be analysed later using NVivo.

Although the questionnaire also tested responses to smoking, illegal alcohol service, theft, training and sexual harassment, this paper examines the incidence of constructive dismissals and under-staffing, as well as employees' tolerance of these, and their perception of the organisation's tolerance.

As research is ongoing, this paper presents interim and preliminary results only. Qualitative data from written comments are expected to highlight specific areas of concern, such as the constructive dismissal procedures used, and provide insights into the emotional responses of the victims of such procedures. However, these are briefly previewed only, as formal analysis has not yet been undertaken.

3 Results

3.1 Constructive dismissals (sacking)

When staff are put on unsuitable rosters, bullied and harassed, or simply not put on a roster until they have no alternative but to give up their employment, they are the victim of a constructive dismissal, an illegal procedure that is endemic in commercial hospitality. It was anticipated that this research would demonstrate managers' support of constructive dismissals, but instead, results showed their disapproval, but the active support of supervisors.

Respondents were asked how often supervisors had written unfair rosters or hassled staff to get rid of them in their workplace. Of the total respondents ($n = 453$), 24.8% reported that this was a common way to rid their workplace of unwanted staff, as detailed in Table 3.1.1.

	Frequency	Percent	Cumulative percent
All the time	15	3.9	3.9
Frequently	28	7.3	11.2
Commonly	52	13.6	24.8
Once or twice	122	32.0	56.9
Never	164	43.0	100
Total	381	100.0	

Table 3.1.1 Reporting of constructive dismissals

(‘In the past 12 months at my workplace, supervisors have written unfair rosters or hassled staff to get rid of them’)

Cross-tabulations of results in Table 3.1.2 show where support for constructive dismissals was most frequently reported. For example, of those who worked in food and beverages, 26% said that constructive dismissals occurred commonly, frequently, or all the time in their workplace.

	Common, frequent, or all the time	Never	Total count
By department			
Food and Beverages	26%*	38.7%	230
Front Office	23%	43.1%	65
Rooms (inc H/K)	23%	83.3%	12
By position			
Staff	13%	40.8%	245
Supervisors	34.9%	30.2%	43
Managers	13.4%	59.6%	52
By employment type			
Casual	41%	29.4%	34
Part-time	19.2%	40.5%	205
Full-time	27.4%	43.8%	74
Salaried	17.8%	58.9%	56
By hotel size			
Up to 250 rooms	23.5%	45.9%	85
250 – 349 rooms	36.7%	40.0%	30
350 rooms or more	25.0%	45.0%	80
By hotel standard			
Three star ***	25%	47.9%	48
Four star ****	24.5%	46.6%	73
Five star *****	30.7%	41.0%	78

Table 3.1.2 Cross-tabulation of incidence of constructive dismissals and demographic characteristics

Constructive dismissals were reported significantly more by supervisors (34.9%) than by staff (13%) or managers (13.9%), who were less aware of its existence. As respondents were asked whether or not supervisors had put people on unfair rosters or hassled them to get rid of them,

it is notable that supervisors admitted to using an illegal dismissal procedure that staff and management were largely unaware of.

Not surprisingly, those with the least employment security, and therefore most prone to being removed from a roster, reported the highest awareness (41%) of constructive dismissals in their workplace.

Although it was expected that smaller properties would have the highest incidence of any unethical behaviour tested, mid-sized hotels (250 to 349 rooms) appeared to have the most constructive dismissals, with 36.7% of respondents in these properties reporting that they were common in their workplace. It was also expected that more luxurious properties would have less problems, but to the contrary, 30.7% of those employed in five star properties reported that constructive dismissals were common in their workplace.

Respondents were also asked if they thought dismissals of this nature were wrong, with 85.5% agreeing or strongly agreeing that they were. This result suggests a prevalence of ethical discomfort over the use of constructive dismissal procedures.

	Frequency	Percent	Cumulative Percent
Strongly agree	274	62.3	62.3
Agree	102	23.2	85.5
Neutral	39	8.9	94.4
Disagree	10	2.3	96.7
Strongly disagree	15	3.4	100.0
Total	440	100.0	

Table 3.1.3 Employee tolerance of constructive dismissals
(‘Writing unfair rosters and hassling staff to get rid of them is wrong (unethical’))

Cross tabulations to identify tolerance of constructive dismissal procedures (Table 3.1.4), showed that the human resources employees were the least tolerant; with 92% agreeing or strongly agreeing that using unfair rosters to get rid of staff was wrong. Tolerance in Front office and Rooms Division was significantly high, possibly because staff in these areas had slightly lower incidences of constructive dismissals in their workplace (Table 3.1.2). Supervisors were notably less tolerant than staff or managers, with only 17.8% being neutral about or disagreeing with the use of constructive dismissals. Nearly 90% of casual staff thought constructive dismissals were wrong, clearly indicating their disagreement with this method of terminating their employment. Tolerance decreased in reverse proportion to both the size of the hotel and its quality standard, with staff from large five star hotels showing the least tolerance. However, tolerance is notably weak across all staff and all departments.

	Agree	Neutral	Disagree	Total count
By department				
Food and Beverages	85.4%	8.9%	5.7%	246
Front Office	78.0%	17.8%	4.1%	73
Rooms (inc H/K)	87.0%	0	12.5%	14
Human Resources	92.0%	7.7%	0%	13
By position				
Staff	86.1%	8.6%	5.3%	280
Supervisors	82.3%	11.8%	5.9%	51
Managers	88.3%	8.3%	3.3%	60
By employment type				
Casual	89.5%	10.5%	0%	38
Part-time	82.0%	11.2%	6.7%	223
Full-time	88.8%	6.1%	5.1%	98
Salaried	87.8%	6.1%	6.1%	66
By hotel size				
Up to 250 rooms	85.6%	9.3%	5.1%	97
250 – 349 rooms	86.5%	5.4%	8.1%	37
350 rooms or more	89.7%	9.3%	1.0%	97
By hotel standard				
Three star ***	82.4%	8.8%	8.8%	57
Four star ****	86.4%	6.8%	6.8%	88
Five star *****	87.2%	10.6%	2.1%	94

Table 3.1.4 Cross-tabulation of employee tolerance of constructive dismissals and demographic characteristics

Respondents were also asked to rate their workplace's attitude towards the practice of writing unfair rosters and hassling staff as a way of getting rid of them, with 35.9% reporting that this was standard practice, encouraged, or allowed.

	Frequency	Percent	Cumulative percent
Standard practice	28	10.4	10.4
Encouraged	6	2.2	12.6
Allowed	63	23.3	35.9
Management trying to stop	31	11.5	47.4
Not allowed	142	52.6	100
Total	270	100.0	

Table 3.1.5 Perceived organisation's tolerance of constructive dismissals
(‘In the last 12 months at my workplace, writing unfair rosters and hassling staff to get them to leave has been..’)

Cross tabulations taken to determine perceived tolerance of constructive dismissals, clearly indicated that it was supervisors, not managers, who perceived that they were acceptable.

	Allowed	Not allowed	Something management is actively trying to stop	Total count
By department				
Food and Beverages	36.8%	52.1%	11.0%	163
Front Office	45.5%	48.9%	15.6%	45
Rooms (inc H/K)	23.5%	70.6%	5.9%	17
Human Resources	11.1%	77.8%	11.1%	9
By position				
Staff	35.7%	53%	11.3%	168
Supervisors	57.1%	28.6%	14.3%	35
Managers	21.6%	67.6%	10.8%	37
By employment type				
Casual	33.3%	53.3%	13.3%	30
Part-time	38.2%	50.0%	11.8%	136
Full-time	41.5%	49.1%	9.4%	53
Salaried	29.2%	65.9%	7.3%	41
By hotel size				
Up to 250 rooms	39.3%	50.8%	9.8%	61
250 – 349 rooms	46.7%	40.0%	13.3%	15
350 rooms or more	22.4%	61.2%	16.4%	67
By hotel standard				
Three stars ***	46.9%	43.8%	9.4%	32
Four stars ****	28.8%	63.5%	7.7%	52
Five stars *****	33.3%	50.9%	15.8%	57

Table 3.1.6 Cross-tabulation of perceived organisation's tolerance of constructive dismissals and demographic characteristics

Of the 37 respondents identifying themselves as managers, 78.4% thought that writing unfair rosters and hassling staff to get them to leave was either not allowed, or something they were actively trying to stop. However, for the remaining 21.6%, constructive dismissals were considered standard practice, allowed, or encouraged. The Human Resources department generally perceived constructive dismissals as not allowed, with 77.8% of respondents in this department believing they were not allowed, and a further 11.1% reporting that management was actively trying to stop it. The largest group reporting constructive dismissals as allowed, was full-time staff. A cross-tabulation of this group against position type showed that 45.1% of supervisors were employed on a full-time basis, the most likely explanation for this result. As expected, staff in large hotels (over 350 rooms) were significantly less likely than those in smaller properties, to believe that constructive dismissals were allowed in their workplace, and staff in lesser quality hotels were more likely to think that constructive dismissals were allowed in their workplace.

3.2 Staffing

Hospitality operations world-wide struggle with staff turn-over, and Auckland is no exception, with 53% of respondents reporting that coping with insufficient staff was common in their workplace. Of all respondents, 59.5% considered this was either standard practice,

encouraged (perhaps to keep costs down), or allowed, with only 28.3% thinking management was actively trying to do something to stop it. Under-staffing was not confined to labour intensive departments such as food and beverages, and rooms, and appeared most critical in administration and finance, where 92.8% (n = 14) of staff reported it as common.

	Common, frequent, or all the time	Never	Total count
By department			
Food and Beverages	50.6%	9.8%	235
Front Office	50.6%	8.2%	73
Rooms (inc H/K)	41.4%	10.3%	29
Admin & finance	92.8%	0	14
By position			
Staff	52.6%	9.4%	266
Supervisors	59.2%	4.1%	49
Managers	50.0%	3.4%	58
By employment type			
Casual	57.9%	5.3%	38
Part-time	48.1%	10.6%	208
Full-time	60.9%	6.5%	92
Salaried	60.3%	3.2%	63
By hotel size			
Up to 250 rooms	54.6%	5.2%	97
250 – 349 rooms	65.7%	2.9%	35
350 rooms or more	57.9%	7.4%	95
By hotel standard			
Three star ***	59.2%	9.3%	
Four star ****	55.3%	3.5%	
Five star *****	54.2%	5.3%	

Table 3.2.1 Cross-tabulation of coping under-staffed and demographic characteristics

3.3 Supervision

A comprehensive section containing demographic questions identified characteristics common to hospitality supervisors in Auckland.

Most (64%) hospitality supervisors are currently paid between \$10 and \$14.95 an hour, with another 25% paid between \$15 and \$19.95 an hour. This equates to a maximum salary in this range, of \$39,102, assuming three weeks paid leave. Although most (51%) reported they had worked in hospitality for under five years, 23.5% had worked in the industry for 11 – 20 years, representing a reasonable offering of experience. However, data suggest turnover amongst supervisors is lower than in other groups, with 76.5% reporting they had been less than five years in their present position, compared with 81.4% of managers, and an overwhelming 88% of staff. The racial group most highly represented amongst supervisors was European (Caucasian), with 50% of supervisors coming from this group, including 22% who specified that they were ‘New Zealand Europeans’. Of the managers, 59% were also Europeans

Although the majority of supervisors were women (59%), this trend was reversed amongst managers, of whom 54.2% were men. This was the only group showing a higher proportion of males to females. The most common age group of supervisors was 20 – 24 years (43%), also the most common age of staff (41.8%). Managers were most commonly 30 – 34 years (31%). However, as 55% of the questionnaires were completed by students, these data may not be significant.

4 Qualitative data

Written comments such as ‘ALL THEFT IS WRONG’ provided emphasis to other data supplied by respondents. However, some comments also offered insights into the strength of feeling of those subjected to unethical treatment. Some wrote about gossip-mongering and back-stabbing between supervisors and staff, and some outlined stories of unfair dismissals. An anonymous telephone call from one respondent resulted in advice to discuss a harassment issue with the Human Rights Commission, and many comments on the questionnaires indicated that supervisors often ignore legal and ethical standards, creating misery, frustration, and anger for their victims. Formal analysis of qualitative data expects to identify areas of concern to respondents, as well as levels of frustration and anger being experienced.

5 Discussion

Around a quarter of Auckland’s hotel workers are being subjected to unfair dismissal procedures, a proportion that rises to 40% if the workers are employed on a casual basis. Probably as a result, over half struggle with understaffing in their workplace.

It was anticipated that a divergence of attitudes towards unethical behaviour would be found between staff and management. However, although the views of staff, supervisors and management are not significantly different on the issue of constructive dismissals, only 13% each of staff and management, compared with 34% of supervisors, were aware of this procedure’s existence in their workplace. This suggests the incidence of constructive dismissals is significantly higher than management or staff believe it to be. If managers do agree with the use of constructive dismissals, then they have neither reported this in their responses, nor promulgated this view to staff. One possible explanation is that the law and managers place supervisors in situations in which it is procedurally difficult for them to dismiss staff fairly, leaving them no alternative but to use unfair means. However, as staff turn-over is so high, and retention would appear to be a more productive strategy than constantly recruiting and training newcomers, it is possible that supervisors find it more effective to shed unwanted staff, than to try to develop them into suitable employees. If this is the explanation for such high turnover, then the real cause is not managers’ passive support, or supervisors’ active support, but Human Resources’ inadequate recruitment and training, which plunges much deeper into issues such as the perceived status of the hospitality industry, working conditions, and remuneration. Such a conclusion leaves supervisors as the proverbial meat in the sandwich trying to deliver service against all odds, using untrained and unsuitable staff who are given insufficient rewards to encourage them to stay, and a role model that discourages them from wanting promotion.

6 Conclusion

This research expected to confirm that hospitality managers are aware of unethical behaviour occurring in their workplaces, but do little to prevent it. However, this analysis of supervision in hospitality suggests that it is the supervisors who are at fault, but who are also generally new to the industry, young, poorly paid, and unhappy about the poor ethical standards they are perpetuating. Not surprisingly, they are unlikely to continue working in hospitality, further

exacerbating staff turnover, and making room for a new group of supervisors to replace them and perpetuate the same unethical practices their predecessors were unable to overcome.

Further data analysis is required to determine staffs', supervisors' and managers' tolerance of other unethical behaviour, before the conclusions arising from this part of the research can be confirmed. It is a sincere regret that questions relating to staff turn-over (eg 'How many hospitality jobs have you had in the past five years) were not included, as the significance of the relationship between turn-over and poor ethical behaviour was initially under-estimated. Future research is likely to resolve this relationship by establishing correlations between turn-over, incidence of unethical behaviour, and tolerance of unethical behaviour.

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