Human Resources Management in the Hospitality Industry

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Preface

Today's hospitality professional must be an expert at managing many functions. Ask successful hospitality managers working at all levels of the industry to identify their most daunting tasks, however, and you will find that these tasks relate to people management. In every segment of the hospitality industry, finding, training, and retaining outstanding staff members are always challenging tasks, but every manager must master them.

Rising labor costs, increased competition for quality staff, changing workers' attitudes, increased customer expectations, and a proliferation of new laws related to what Human Resources (HR) managers may and may not do legally are among many factors that point out the importance of effective HR management education. To help meet the challenges of teaching professional HR management, ***Human Resources Management in the Hospitality Industry*** has been painstakingly developed.

As the text's authors, we are especially pleased with the result and believe it will be well received by instructors, students, and those industry practitioners who are in the trenches of day-to-day hospitality operations. Some might argue that the concepts that should be taught in an HR management course are universal, thus a text useful for managers in general business, manufacturing, or other service industries would also be appropriate for those students studying to enter the field of hospitality. The authors counter that the needs of hospitality students are different and that the teaching of HR management to these students demands the availability of an excellent hospitality-specific text. We believe this to be true for three important reasons:

1. **Organizational structure of hospitality business.** Many HR texts describe the operation of an organization's HR department. In the hospitality industry, the on-site manager *is* that unit's HR department in all except the largest of operations. Thus, it is extremely important that hospitality managers be well versed in HR management, including employee recruitment and selection, training, compensation, performance appraisal and discipline, safety, and other key areas in which they will be personally called upon to make critical decisions. Therefore, this text asks the reader to assume the role of that decision maker.
2. **Diversity of employees.** The management of a hospitality unit requires managers to be adept at understanding the HR-related concerns of a wide range of employees with differing experience and skill levels. The backgrounds of workers found in hospitality operations range from those who are entry level to others who are highly educated and proficient in advanced management areas such as finance, marketing, production, and revenue management. As a result,

hospitality managers must be equally able to compute the overtime wages of tip-credit eligible hourly employees and to understand how the Sarbanes-Oxley Act affects the work of the financial staff they supervise. This book recognizes that diversity.

3. **Complexity.** There is no doubt that successful hospitality managers must be particularly skilled and knowledgeable. For example, they serve as both manufacturing and retail managers. A professional hospitality manager is unique because all of the functions of product sales, from item conceptualization to product delivery, are in the hands of the same individual. The result is that these managers must understand much more than how they will interface with an HR department. Instead, they must realize that, in the eyes of their employees, fellow managers, company owners, and their guests, they *are* the HR department, and thus must be aware of the legal (and many other) consequences of their decision making. As a result, the examination of complex legal implications of HR management is a dominant theme throughout this book.

Text Concept and Content

As we identified the content for this hospitality-specific HR text, we continually recognized the distinction between HR management and supervision. Historically, many hospitality students have been taught how to supervise employees. The reasoning was simple: good managers become recognized as such by first being good supervisors. In today's litigious society, however, managers (and students) who do not understand the legal requirements and responsibilities that must underpin their actions are greatly disadvantaged. For example, hospitality supervisors and managers may know what they want to do to build an effective workforce; however, at the same time, they must not lack an understanding about what they are legally allowed to do, required to do, or even prohibited from doing! Those who have been teaching how to supervise human resources now, with the publication of ***Human Resources Management in the Hospitality Industry,*** have the preferred option of teaching their students how to legally manage those resources.

With the goal of effectively aiding in the teaching of HR management, the authors created a manuscript with 13 chapters, divided among the following four major parts.

PART I: OVERVIEW OF HUMAN RESOURCES MANAGEMENT

Part I introduces readers to the topic of HR management in hospitality and contains the following chapters:

1: Introduction to Human Resources in the Hospitality Industry

2: The Legal Environment of Human Resources Management

3: Human Resources Management: Policies and Procedures

In this critical foundation section, readers will learn about the diversity of the hospitality industry's workers, the important labor-related legislation they must know to manage these workers, and the key aspects of legal compliance, policy documentation, and record keeping required of successful HR managers.

PART II: SECURING HUMAN RESOURCES

Part II of the text examines the important topics of legally recruiting, hiring, and orienting hospitality employees. It contains the following key chapters:

4: Employee Recruitment and Selection
5: First Impressions and an Ethical Foundation

In this section, readers are introduced to many key employee selection concepts, including legal recruitment, interviewing, and selection, as well as negligent hiring, employee orientation, handbooks, ethics, and social responsibility.

PART III: HUMAN RESOURCES IN ACTION

Part III of this text introduces readers to specific activities implemented by effective HR managers. Critical chapters included in this section are:

6: Planning Training Programs
7: Delivering and Evaluating Training Programs
8: Compensation Programs
9: Performance Management and Appraisal
10: Employee Health and Safety

Because of its detailed treatment of employee training, this part of the text, perhaps more than any other, illustrates the distinctive approach to HR management. Effective HR managers must understand and implement training principles. With the large number of unskilled positions to be filled, employee turnover rates that often approach 100 percent or more per year, a labor pool that grows increasingly diverse, and increasing job complexity, employee training is the key to quality guest service and operational profitability. For this reason, the text examines the key HR concepts of job descriptions, job breakdowns, and task analysis in this section (rather than in employee recruiting). This content organization approach is consistent with the concept that, in the overwhelming number of cases, newly hired hospitality employees must be trained to do their new jobs. Thus, hospitality job content can best be understood, not in terms of the skills potential employees must bring to the workplace, but rather in terms of the training required to prepare qualified employees for their positions.

Other critical HR activities addressed in this text part include the legal aspects of compensation management, wages, salary, and benefit administration, as well as nonfinancial employee compensation. Additional topics of importance included are performance appraisal, discipline, and separation. This section concludes with an examination of the importance of employee health and physical safety, including a thorough examination of harassment, a topic increasingly recognized as one important to the physical safety (as well as the physical and mental health) of employees of diverse gender, race, religion, and sexual orientation.

PART IV: SPECIAL HUMAN RESOURCES CONCERNS

In the concluding section of the text, special concerns of HR managers in hospitality are addressed. Chapters included in this section are:

11: Role of Human Resources in Strategic Planning and Organizational Change

12: Critical Issues in Human Resources Management

13: Human Resources: Planning for Global Expansion

This section contains a range of topics and information important to HR managers. Key sections included are those addressing change, employee empowerment, and strategic planning. In addition, employee labor unions in hospitality are thoroughly examined in this section, as are the topics of succession planning, cross-generational management, and downsizing strategies. Chapter 13, the text's concluding chapter, illustrates a final point of differentiation for this text. Globalization of the hospitality industry is now occurring at an increasingly fast pace. For American companies, expansion will, in the future, occur as frequently outside U.S. borders as within them. As a result, those professionals entering the industry must understand the unique challenges of managing HR resources globally as well as locally. It is our firm belief that in today's world, a global view is the only approach to take.

Text Features

From a reader's perspective, the features of a textbook often are as important as its content. Thoughtfully designed textbook features make the content presented easy to read, easy to understand, and easy to retain. You will find that ***Human Resources Management in the Hospitality Industry*** is especially reader friendly. The following strategically designed features help readers learn:

- ***Chapter Outline.*** The two-tier chapter outline at the beginning of each chapter shows the context for each topic and provides a simple way to quickly find material within the chapter.

- ***Checklist of Learning Objectives.*** This list of measurable learning objectives helps readers anticipate the skills or knowledge they will acquire upon completing the chapter. A unique feature of this text's design is that these learning objectives are listed a second time in their exact chapter location, allowing readers to be prepared for and excited about what they will be able to achieve when all of the chapter's material is successfully mastered.
- ***Impact on Human Resources Management.*** Each chapter utilizes this short feature to explain, in clear terms and before any content is presented, exactly *why* the chapter's topic is important. This feature makes it easy for readers to see what the chapter is about and what they will learn by reading it.
- ***Human Resources Terms.*** As is true with many areas of specialization within hospitality management, HR managers speak their own language. In recognition of this fact, more than 300 special HR-related terms are defined within the text (an alphabetical glossary of these terms is available on the text's Web site: *www.wiley.com/college/hayes*).
- ***It's the Law!*** Reinforcing its emphasis on the legal aspects of HR management, this feature is included in every chapter. It explains, in detail, how current or proposed legislation directly affects the topics presented and the resulting HR management-related actions that are, and are not, legally allowable or advisable.
- ***Human Resources Management: Current Events.*** This feature, included in each chapter, and taken from current industry news, trends, and issues, illustrates how concepts presented in the text are played out in the real world. For example, employee and guest smoking in the workplace is an important HR issue. It becomes an even more pressing HR issue, however, when local regulatory bodies propose the legislation of facility-wide smoking bans. The examination of in-the-news HR-related topics provides the content of this attention-getting feature.
- ***Human Resources Management Issues.*** Each chapter contains several of these real-world mini-cases designed to make readers think about how they would personally use the information they have learned to respond to HR-related situations they will likely encounter in their jobs. Questions are included at the end of every case to help stimulate classroom discussion.
- ***List of Human Resources Terms.*** Readers often need help in remembering key concepts that should be mastered after reading a section of a book. Thus, the *Human Resources Terms* are listed again at the conclusion of each chapter and in the order in which they were presented in the chapter, to provide a helpful study aid.
- ***For Your Consideration.*** These end-of-chapter questions about the chapter's content are excellent for reader review. They are designed to be effective in stimulating classroom dialogue, team activity assignments, and/or for homework assignments.
- ***Chapter Ending Case Study.*** Case studies in ***Human Resources Management in the Hospitality Industry*** are unique. They present real-life situations and then ask readers to examine that same situation from varying HR perspectives. For example, a case study examining the declining performance of an aging, but

long-term hospitality employee asks readers to consider the issue from three distinct perspectives: (1) the appropriateness of the employee appraisal system in use; (2) the importance, to an organization, of maximizing employee performance; and (3) an employer's responsibility to its long-term employees. Several questions are asked, focusing on multiple dimensions of the case study to emphasize critical thinking.

- ***Internet Activities.*** The importance of the Internet as a learning tool cannot be overlooked in any field of study. In this text, the *Internet Activities* feature that concludes each chapter not only identifies pertinent Web sites to visit, but it also gives readers specific instructions about what they should do, consider, and learn when they visit the site.

We know that students learn best when concepts and practices are illustrated through many examples and features designed to engage their interest. Each of the special text features utilized in this edition meet that criterion. The result is an effective text that is concise and informative as well as highly readable.

ADDITIONAL RESOURCES

To aid students in retaining and mastering hospitality human resources, there is a ***Study Guide*** (ISBN: 978-0-470-14060-4), which includes learning objective reviews, study notes and chapter outlines, key terms and concept reviews, and quizzing exercises.

Instructor support materials supplied by Wiley are among the very best available, and that is true for this text as well. The accompanying ***Instructor's Manual*** (ISBN: 978-0-470-25398-4) for this text includes extensive chapter outlines, chapter quizzes suitable for in-class use, and an extensive bank of examination questions and answers.

A ***Companion Website*** (www.wiley.com/college/hayes) provides readers with additional resources as well as enabling instructors to download the electronic files for the ***Instructor's Manual,*** Power Point slides, and Test Bank.

WebCT and Blackboard online courses are available for this book. Visit www.wiley.com/college/hayes and click on Blackboard or Web CT buttons in the center of the page for more information, or contact your Wiley representative.

Acknowledgments and Dedication

Human Resources Management in the Hospitality Industry has been designed to be the most comprehensive, technically accurate, and valuable teaching resource available on the topic. We acknowledge the many individuals who assisted in its development. Special mention is appropriate for those professionals who reviewed the original draft outlines of each chapter and for those readers who carefully

reviewed each chapter draft as it was written and rewritten. We also want to recognize those hospitality practitioners and instructors who participated in a thorough review of each chapter's final version. For comment, collaboration, and constructive criticism on the manuscript, we thank our reviewers: Michael Barnes of SUNY Delhi, David Brower of SUNY Delhi, Michelle Crabtree of Northern Virginia Community College, Misty Marie Johanson of Georgia State University, Harry Lenderman of the University of Delaware, Richard Patterson of Western Kentucky University, Janet Shaffer of Lake Washington Technical College, Steve Siegel of Niagara University, Deanne Williams of Virginia State University, and Larry L. Williams of Scottsdale Community College. Additionally, Allisha A. Miller of Panda Pros Hospitality served as an invaluable reviewer and contributor, and her efforts are most appreciated. The authors wish to thank Dr. A. J. Singh, Associate Professor, The School of Hospitality Business, Michigan State University, for contributing Chapter 13, Human Resources: Planning for Global Expansion. Dr. Singh's knowledge of and experience in International hospitality management provides chapter readers with insights that are crucial to understanding human resources dimensions in the global industry.

Experienced authors know the value of a quality publisher in the development of a manuscript. We were impressed but not surprised at the tremendous effort devoted to this project by JoAnna Turtletaub, Wiley Vice President and Publisher, and Melissa Oliver, the text's Acquisition Editor. Julie Kerr, Senior Developmental Editor for this book, deserves special recognition because her efforts illustrate well the commitment of Wiley toward this project. She served as the authors' guide to reviewer input, and she scrutinized each word, concept, and even photo caption of the manuscript. Julie's efforts, as much as any individual working on the project, helped ensure that this text met the high standards Wiley sets for its own publications and, by doing so, helped the authors contribute their very best efforts as well. To the extent the text is a success, the many individuals mentioned here deserve all of the credit; for any shortcomings in the text, the authors willingly accept full responsibility.

Finally, we wish to dedicate this text to Professor H. B. Meek, who, in 1954, founded Cornell University's School of Hotel Administration, and without whose dedication and vision, the discipline of hospitality education would be greatly diminished. Just as Professor Meek understood the uniqueness and importance of hospitality education as a separate discipline, we hope he would approve of our efforts to continue the enhancement of the field by this contribution to hospitality human resources management. To the degree that he would approve of our efforts, we will have succeeded as much as we hope those students reading this resource succeed in their own careers.

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PART **ONE**

Overview of Human Resources Management

CHAPTER **ONE**

Introduction to Human Resources in the Hospitality Industry

CHAPTER OUTLINE

Overview of Hospitality Industry
Managing Human Resources in the Organization
Human Resources Activities
External Influences
Internal Influences
Diversity in the Hospitality Workplace
Overview of Diversity
Implementing Diversity Initiatives
Specific Human Resources Responsibilities
Human Resources Terms
For Your Consideration
Case Study: Human Resources Management in Action
Internet Activities
Endnote

CHECKLIST OF CHAPTER LEARNING OBJECTIVES

As a result of successful completion of this chapter, readers will be able to:

1. Provide a brief overview of the hospitality and tourism industries, and emphasize the importance of effective human resources management to all organizations within them.
2. Explain how human resources management relates to the management of a hospitality and tourism organization.
3. Present an overview of human resources activities, and explain external and internal influences that affect them.
4. Review the importance of diversity in the hospitality workplace, and tell basic procedures important in planning and implementing a valuing-diversity emphasis.
5. List specific human resources responsibilities important in most hospitality and tourism organizations.

Impact on Human Resources Management

While the hospitality industry is broad and diverse, organizations within it share some things in common. One is the need for staff members with a variety of knowledge, skills, and experience to produce the products and services that are needed or desired by consumers. The industry has often been described as a "people business." In this context, the people typically referred to are both the employees who produce the products and services, and those who purchase and consume them. In this book, we will be focusing on one of the two groups of people just noted: employees.

The need to devote an entire book to procedures to facilitate the work of staff members in the hospitality industry is easy to defend. Almost without exception, hospitality managers in all types and sizes of organizations and in locations around the world consistently note concerns about recruiting and retaining personnel at all organizational levels. Their goal is to employ persons with the attitudes and abilities required to best meet the needs of those being served. This chapter provides an overview of and the context within which the management of human resources in the hospitality industry will be presented.

Overview of Hospitality Industry

1. **Provide a brief overview of the hospitality and tourism industries, and emphasize the importance of effective human resources management to all organizations within them.**

Hospitality industry: The range of for-profit and not-for-profit organizations that provide lodging and/or accommodations including food services for people when they are away from their homes.

The **hospitality industry** is one part of the larger travel and tourism industry that, in addition to hospitality, consists of transportation services organizations and retail businesses. The for-profit and not-for-profit operations in the hospitality segment share a common goal: to provide lodging and/or accommodations including food services for people when they are away from their homes. Many people think of hotels and restaurants when they think of the hospitality industry, but it comprises numerous types of organizations. Figure 1.1 identifies three segments of the travel and tourism industry.

As you review Figure 1.1, note that the travel and tourism industry can be divided into three segments: transportation services, hospitality, and destination businesses. This text concerns one segment: hospitality. Lodging organizations within the hospitality segment include hotels, conference centers, destination resorts, camp and park ground facilities, and inns. The foodservices segment can

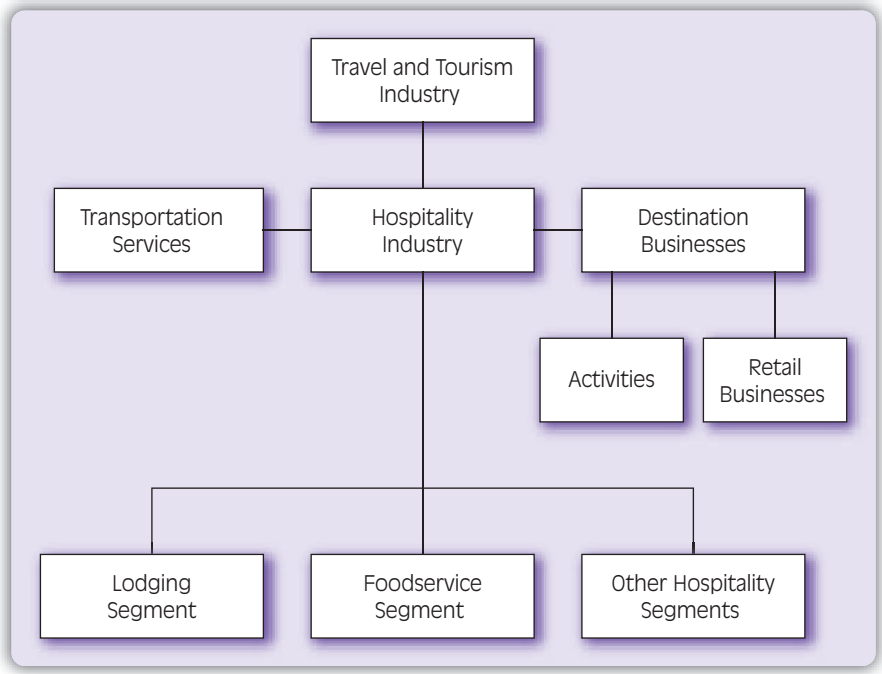


FIGURE 1.1: Overview of Hospitality Industry

be divided into two general components. For-profit operations include hotels, restaurants, caterers, and retail operations such as grocery stores and service stations that provide prepackaged sandwiches, beverages, snacks, and other items. The other component, not-for-profit operations, includes food services offered by educational facilities, healthcare institutions, the military, business/industry organizations, religious and charitable groups, correctional facilities, and transportation companies. These not-for-profit organizations may operate their own food services or, alternatively, may contract with a foodservice management company to do so. Other hospitality segments include organizations such as private clubs, sports and recreational foodservice operations, cruise ships, casinos, vending businesses, and amusement and theme parks.

Organizations in the hospitality industry tend to be **labor-intensive.** Technology cannot provide the level of service that is integral to the expectations of many consumers. Even the phrase, *hospitality*, refers to the friendly treatment of one's guests, and this human touch must be provided by the organization's staff members.

Hospitality and tourism organizations require employees; the greater their level of **revenue** and the more consumers they serve, the more staff members these

Labor-intensive: The situation in which people rather than technology and equipment are used to provide products and services for an organization's consumers.

Revenue: The amount of money generated from the sale of products and services to consumers of the hospitality operation.

Human resources (HR): The persons employed by a hospitality or tourism organization.

Human resources management (HRM): Processes used by a hospitality or tourism organization to enhance its performance by effectively using all of its staff members.

operations require. Success requires a full complement of staff members from owners/managers to entry-level employees who consistently attain required quality and quantity standards. In this industry, the emphasis must be on **human resources,** and leaders must practice **human resources management** principles and practices.

Human Resources Management: CURRENT EVENTS 1.1

HOW CAN THE HOSPITALITY INDUSTRY SUCCESSFULLY COMPETE FOR ITS EMPLOYEES?

Historically, the number of hours worked in the average workweek has been decreasing. However, many managers in the hospitality industry work long hours and, unfortunately, many of these hours are late at night and on weekends and holidays when others are with their families and friends.

Conditions in some industries lend themselves to opportunities for employees to work at home for all or part of their jobs, to fulfill work responsibilities during hours that are best for the employee, and to job-share (as when two persons divide up tasks for a single job).

Although the latter approach (job-sharing) can be used in hospitality and tourism organizations, it is difficult to deliver service without an employee to do so, and it is also difficult to sell a service at times other than when consumers desire it. How can service organizations compete with those in other industries for the very best management talent?

Some organizations have found creative alternatives that allow selected persons to become **intrapreneurs**. These persons manage a specific part of the business and receive a specified part of the profits from its successful operation. This may be a motivator for those with an entrepreneurial spirit. One example occurs when a bonus is paid to a hospitality manager based on performance that exceeds specified financial goals. Other organizations offer creative profit-sharing plans to staff members for whom money is a motivator. When revenues and expenses for a specific venue, such as a food or beverage outlet or a gift shop in a hotel, can be specifically allocated, additional opportunities for intrapreneurial arrangements become possible.

Human resources–related challenges will continue to be a priority for most hospitality and tourism operators in the foreseeable future. What can be done to meet the task of recruiting and retaining staff members? As this and related questions are successfully addressed, organizations will enjoy a competitive edge over their counterparts who do not deal with this important concern.

Intrapreneur: An employee of an organization whose compensation, in whole or in part, is based on the financial performance of the part of the business for which the person is responsible.

Management process: The process of planning, organizing, staffing, supervising, controlling, and appraising organizational resources to attain goals.

Regardless of the industry segment in which they work, most employees have the same basic wants and needs. They share the same basic concerns about how they are treated by their employers, which impacts their work performance and length of employment. Much of a person's attitude about work is affected by interactions with other management and nonmanagement employees. However, human resources concerns ranging from compensation and benefits to opportunities for training and professional development, as well as beliefs about how they fit into the organization, are important to many staff members.

Some human resources managers begin their careers in operating positions in a hospitality or tourism organization and then move into a specialized human resources position. Others begin in hospitality human resources and spend much of their career in progressively more responsible positions in that discipline. Still others with hospitality human resources duties move into similar positions in other industries. These and other options are possible because of the similar concerns shared by most employees in all organizations and industries. These basic issues and concerns and the ways they can be addressed are among those topics discussed in this book.

Managing Human Resources in the Organization

Resources: What an organization has available to achieve goals. Examples include people (human resources), money, time, machinery, processes and procedures, energy (utilities), and products such as food, beverages, and supplies.

Managers: Staff members in the organization who direct the work of supervisors.

Supervisors: Staff members in the organization who direct the work of entry-level personnel.

2. Explain how human resources management relates to the management of a hospitality and tourism organization.

The staff members of every hospitality and tourism organization are its most important resource. How their work is managed (facilitated) directly impacts the success or failure of the organization. The basic **management process** is the same in almost any type of organization, and it consists of six basic functions that relate to all **resources**, including staff members. These functions are listed in Figure 1.2, which also provides an example of human resources responsibilities applicable to each function.

Figure 1.2 suggests that, while the responsibilities within each management function narrow from top-level **managers** to **supervisors,** each person with management responsibility has obligations relating to each function. Top-level managers tend to have longer-term, big-picture responsibilities, managers have more specific departmental-related duties, and supervisors serve as linking pins to connect upper levels of management with entry-level staff members in day-to-day operations.

	LEVEL OF MANAGEMENT		
Management Function	**Top-Level Manager**	**Mid-Level Manager**	**Supervisor**
Planning	Analyzes the number of persons needed for key management positions in the future (succession planning).	Considers estimated costs of departmental training programs for an upcoming budget period.	Schedules employees for the following week.
Organizing	Determines reporting relationships as a hotel front office department is reorganized.	Determines tasks to be part of a specific position.	Revises a work task based on work simplification tactics.
Staffing	Recruits and hires employees for a healthcare dietary services operation.	Provides input about a hire or fire decision.	Provides input to **job descriptions** used for employee recruitment.
Supervising	Directs the work of managers.	Directs the work of supervisors.	Directs the work of entry-level employees.
Controlling	Establishes labor standards for a quick-service restaurant.	Compares estimated and actual labor cost data, and takes corrective actions as necessary.	Ensures that procedures used to control costs are in use.
Appraising	Determines the extent to which human resources goals, including labor costs, professional development programs, and performance improvement, are met.	Evaluates the work of department staff.	Determines whether revised work procedures that address a problem have corrected it.

FIGURE 1.2: Basic Management Functions Involve Human Resources Responsibilities

Job descriptions: A list of tasks that a person working within a specific position must perform.

The Role of Human Resources Is Broader Than Just Filling Positions

Effective human relations procedures must be used to recruit and select staff members. However, human resources responsibilities extend beyond this and further than other stereotypical duties such as planning staff parties, approving employee vacations, and collecting paperwork when new employees are hired.

Numerous federal and state laws relating to hiring and employment practices must be understood and implemented in every hospitality and tourism organization. The extent of compliance has a significant impact on how affected managers make personnel-related decisions and on whether significant time and financial resources must be committed to issues that could have been avoided if labor laws were followed.

The management of human resources is of strategic importance to the organization. Goals cannot be attained without the best people in the appropriate position who consistently attain standards needed to deliver products and services of the correct quality. At the same time, those with human resources responsibilities must represent and advocate for the employees. When the **corporate culture** encourages them to do so, employees working at all organizational levels can provide ideas and creative energies to give the organization a competitive advantage. Those with human resources responsibilities are at the forefront of helping to develop, implement, communicate, interpret, and enforce the policies and procedures that help ensure that the organization's most important resources (employees) are empowered to help the organization achieve its goals.

Managers with human resources responsibilities also realize that labor costs must be controlled. They must help ensure that the labor-related expenses incurred are actually **value-added** dollars that are worth more to the hospitality organization than what is spent for the labor.

Human Resources Activities

3. Present an overview of human resources activities, and explain external and internal influences that affect them.

Corporate culture: Shared beliefs, experiences, and norms that influence how things are done within an organization.

Large hospitality and tourism organizations typically have **human resources departments** with **staff specialists** whose primary responsibilities focus on human resources concerns. Managers in small organizations function as generalists, and they assume human resources concerns in addition to numerous others as part of their job. Most organizations in the hospitality industry are small. Therefore,

Human Resources Management: CURRENT EVENTS 1.2

THE BIGGEST CHALLENGE IS HUMAN RESOURCES!

Just ask any manager in any type of hospitality or tourism organization about his or her most significant challenge, and the answer is likely to be "not enough qualified help." Labor shortages are an ongoing challenge, and much of a manager's time is often spent in recruiting and training new employees and in correcting defects caused by employees who don't care before they resign and by newly hired personnel who are concerned, but who have not completed training in proper work procedures. Reasons for labor shortages vary by location but typically include an inadequate number of persons desiring to work in the industry, perceived low compensation, and, unfortunately, very high **employee turnover** rates.

Managers can use three basic strategies to address labor shortages, and each has human resources implications:

- *Keep the people currently employed; reduce the turnover rate.* Selecting the right people and using tactics to retain staff members are examples of ways to accomplish this goal.
- *Increase productivity.* When increased output that meets required standards is generated with the same or reduced number of labor hours, fewer personnel will be needed. Again, selecting the right persons is helpful, as is providing well-thought-out orientation, training, and professional development programs for interested staff members.
- *Recruit from nontraditional labor markets.* Many hospitality and tourism managers enjoy great success when they employ "empty nesters" (parents of grown children), older workers seeking part-time employment to complement retirement income, and other persons with physical and mental challenges who can become proficient at performing many necessary tasks.

Value-added: The concept that the benefits of money spent on something are worth more to an organization than the amount of money that is spent on its purchase.

managers in these operations will be responsible for making staff-related decisions without the benefit of the specialized assistance that their counterparts in larger organizations receive. *Note*: This book has been written from the perspective of managers in small organizations, and it discusses basic human resources concerns that these managers must address as they facilitate the work of their staff members.

Figure 1.3 reviews basic human resources activities and indicates the external and internal influences on these activities.

Managers and supervisors who practice human resources skills can reduce employee turnover rates and the associated productivity and service quality problems that occur when there is a revolving door of new employees. *Courtesy PhotoDisc/Getty Images*

Human resources department: The department within a large hospitality or tourism organization with the responsibility for recruiting, screening, and developing staff members. Persons in this department also administer compensation and benefit programs, coordinate safety practices, implement labor law requirements, and, if applicable, administer collective bargaining agreements.

Staff specialists: Persons with technical expertise in an area such as human resources that provide advice to, but do not make decisions for, managers in the organization's chain of command.

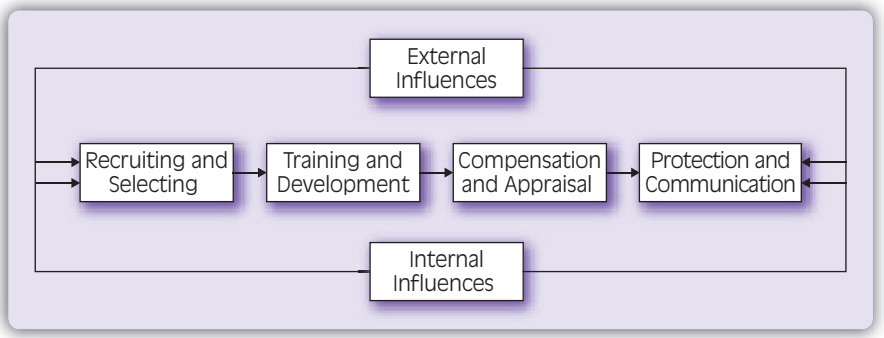


FIGURE 1.3: External and Internal Influences on Human Resources Activities

Let's review Figure 1.3 by noting the human resources activities:

- *Recruiting/selecting.* These tasks include tactics and procedures to attract applicants to the organization (recruiting) and choosing the very best persons among them (selecting). These activities will be discussed in detail in Chapter 4.
- *Training and development.* Preparing new staff members to do required work, updating their experienced peers, and providing opportunities for all interested staff members to assume more responsible positions are integral to the efforts of most organizations to attain goals and address competitive pressures, if applicable. These topics are discussed in Chapters 6 and 7.

Employee turnover: The proportion of total employees replaced during a specific time period. For example, the annual turnover rate can be calculated as the number of employees leaving during a year divided by the number of employees in the workforce.

- *Compensation and appraisal.* Personnel should receive pay and benefits commensurate with their contributions to the organization. Performance appraisal provides input to help employees attain the on-job success that can yield promotions with higher compensation levels. These topics are examined in Chapters 8 and 9.
- *Protection and communications.* Safety and security concerns are of obvious importance to all employees. Many laws and regulations mandate safety procedures, and numerous other tactics that top-level managers should do (and not do) impact employee safety. Many legal and procedural issues with safety implications are addressed by those with human resources responsibilities. These topics are discussed in Chapter 10. In addition, effective communication that flows up, down, and across the organization helps ensure that staff members know about issues that affect them. These topics are discussed in Chapters 3 and 5.

EXTERNAL INFLUENCES

Figure 1.3 indicates that human resources activities are impacted by external influences. These include:

- *Legislation.* The impact of federal, state, and other laws on the hiring process and their influence on management decisions affecting personnel cannot be overstated. Chapter 2 addresses the legal environment, and numerous other legal issues are considered throughout the text.
- *Consumer preferences.* What consumers desire must be identified and supplied by hospitality and tourism organizations. What are business/operating volumes? What products and services must be produced, and when are they needed? The answers to these and related questions drive employee recruiting and selecting, training and development, and compensation and appraisal activities.
- *Demographics.* The characteristics of the local labor market and the guests are of obvious concern. Income levels in a community affect wage and salary rates, and they also impact the ability and interest of consumers to purchase the organization's products and services. Young persons are the foundation of employees in many organizations; are they available?
- *Global issues.* Many hospitality and tourism organizations exist to serve travelers. Business volumes impact human resources activities, and these are affected by international and national events that encourage (e.g., sporting events and special commemorations) and discourage (e.g., violence and disease threats) travel.
- *Economy.* The financial well-being of world markets and the country, state, and community in which the hospitality organization operates impact business volumes and, therefore, the need for human resources.
- **Employee unions.** Staff members may belong to an *employee union* that represents their interests in numerous aspects of the human resources activities noted in Figure 1.3.

Employee union: An organization of employees who act together to protect and promote their interests by collective bargaining with representatives of the hospitality and tourism organization.

INTERNAL INFLUENCES

Policy: Rules and regulations established by an organization that specify how applicable staff members should act.

Figure 1.3 also suggests that there are internal organizational influences on human resources activities:

- **Policies.** A *policy* can greatly influence how an organization feels about staff members. In the absence of laws that regulate specific actions, employers have

Human Resources MANAGEMENT ISSUES (1.1)

"This would be a great place to work if only the human resources department was on our side," said Jonathon as he spoke to Emma, another manager at the Ocean Edge Hotel. "They send us job applicants who are not qualified; they don't do an adequate job of orienting new employees to our hotel; they have no role in training; and they issue so many policies (many of which are ridiculous!) that I simply can't keep up with everything."

"You're right that communication could be better, and there is probably a need for our human resources people to really know exactly what we do," replied Emma, "but before I came here, I spent five years working for a much smaller property that didn't have a human resources department. Each manager had to do whatever the General Manager wanted. Some of the GMs wanted a lot—and others wanted only a little—responsibility for the human resources function."

"You know," continued Emma, "That really wasn't a good situation either. Like everywhere else, the managers had primary work responsibilities that involved a specific cost or revenue center. And they had to be concerned with many human resources details that impacted their employees. I'll tell you, Jonathon, the world of human resources management is full of legal, technical, and other concerns that are pretty far removed from helping guests, preparing and serving meals, and cleaning guest rooms."

"I guess I never thought about that," said Jonathon, "I've been here for a long time, and it's always been a 'them versus us' relationship between operating managers and the human resources people. Do you suppose there is no ideal situation and, because of this, the organization, its managers and employees, and the guests often lose?"

QUESTIONS

1. What appears to be the primary problem at the Ocean Edge Hotel? What tactics might address the problem you have identified?
2. What are the pros and cons for managing human resources in a small property and for working in a larger property with human resources specialists?
3. How can managers in small operations keep up with legal and other current events that impact human resources?

Work procedure: A course of action or steps to be used to accomplish an objective; usually developed to describe how a work task should be accomplished.

Empowerment: The act of authorizing employees to make discretionary decisions within their areas of responsibility.

Downsizing: Activities implemented to eliminate jobs in order to generate greater efficiencies and cost savings.

significant discretion in establishing protocols that may affect the attitudes of staff members toward the organization.

- **Work Procedures.** *Work procedures* that are designed with (or without) input from applicable personnel, the extent to which equipment is used to ease physical work tasks and the amount of employee **empowerment,** if any, impact how work is done and, in turn, required human resources activities.
- *Corporate culture.* The perceived worth of employees to the organization is an integral part of its culture. It drives the philosophies and attitudes about employees and their roles in the organization, and human resources activities.
- *Long- and short-term plans.* Longer-term plans such as expansion or **downsizing** and shorter-term plans such as rolling out a new program or service impact employees and affect recruiting, selecting, and training activities.
- *Management judgment and experience.* Managers and human resources specialists (in large organizations) bring their own judgment and experience to the decision-making process. This input affects the policies, procedures, and plans already discussed and influences other decisions about human resources issues.

Diversity in the Hospitality Workplace

4. Review the importance of diversity in the hospitality workplace, and tell basic procedures important in planning and implementing a valuing-diversity emphasis.

Diversity: The broad range of human characteristics and dimensions that impact the employees' values, opportunities, and perceptions of themselves and others at work.

Diversity has received a great deal of attention in modern organizations.[1] To some, it means providing equal opportunities to persons of selected characteristics such as age, gender, mental/physical abilities, sexual orientation, race, or ethnic heritage. To others, the concept implies responses to legal concerns such as for equal employment opportunities. To still others, diversity connotes equalizing the percentage of employees (and, sometimes, an organization's suppliers) with selected demographics of the general population in, for example, the community in which the operation is located.

OVERVIEW OF DIVERSITY

The hospitality and tourism industry has typically employed a large number of minorities as well as other persons who are seeking a short-term job (not a career). Hotels, restaurants, clubs, foodservices operators in noncommercial facilities, and others compete with potential employers in other industries for persons without specialized knowledge or skills to work at beginning wage rates in entry-level positions. This, in turn, has led to a commonly held, but incorrect, stereotype that

industry employees can only work in low-paying and dead-end positions. However, the industry in general, and many organizations more specifically, have implemented and publicized efforts to upgrade the industry's reputation by making genuine efforts to offer career opportunities, with all of the advantages that accrue to them, to all interested persons. Many exemplary organizations have invested significant time, money, and creativity into these efforts.

Increasingly, then, the definition of *diversity* is being revised. It is being defined in the broadest possible way so all employees in an organization are included and so all employees' diversity will be valued because of their contributions to their employer.

A reasonable definition of *diversity* might separate the entire population into the six characteristics noted earlier: age, gender, mental/physical abilities, sexual orientation, race, and ethnic heritage. These factors do influence how one experiences the world; however, numerous secondary dimensions also shape one's values, expectations, and experiences. These include education, family status, organizational role and level, religion, first language, income, geographic location, and numerous others. Every person is unique and brings special qualities to the job that influences his or her attitudes about it and opportunities to contribute to it.

Equal Employment Opportunity Laws and Affirmative Action Programs Are Different from Valuing-Diversity Efforts

Equal Employment Opportunity laws (see Chapter 2) address the prevention and/or correction of employment practices that discriminate against individuals based on age, color, disability, Vietnam-era veteran status, national origin, race, religion, and gender. Affirmative Action programs are implemented to address these types of discrimination. Their goal is to close gaps by establishing targets and time frames to modify race and gender profiles in organizations. Many organizations that are exempt from these requirements also implement programs to better match the profile of their employees to that of the external labor pool.

Hospitality and tourism organizations that implement valuing-diversity efforts move beyond race and gender concerns and attempt to provide an environment that is welcoming and rewarding for every staff member. The goal is to move beyond satisfying legal requirements to addressing environmental concerns, improving productivity, and increasing morale—in other words, to creating a corporate culture in which diversity is desired because it yields the full utilization of the diverse talents of every staff member.

Many persons argue that a diversity effort should be implemented and kept ongoing because it is the right thing to do, but it is also possible to make a strong business case for a diversity effort, and several benefits of a successful diversity emphasis impact human resources concerns:

- A welcoming and rewarding work environment encourages excellent job performance.
- The changing makeup of the U.S. labor force increasingly requires the employment of those with diverse personal dimensions.
- When all employees are valued, turnover and absenteeism are minimized and associated costs are reduced.
- A culture of understanding, respect, and cooperation encourages teamwork with its benefits.
- Diverse backgrounds create more creative alternatives as decisions are made and as problems are resolved.
- Many consumers are attracted to businesses that employ staff members who reflect the diversity of those consumers. The result is increased sales volume, which, in turn, improves the financial viability of the organization.

IMPLEMENTING DIVERSITY INITIATIVES

How is a valuing-diversity effort implemented? It does not just happen because top-level officials require it, because human resources specialists have been asked to make it happen, or because a manager in a specific department desires it. It is not a program in which a committee decides what to do and an employee training effort follows. Instead, valuing diversity represents a significant organizational culture change that must have the ongoing commitment (in other words, an emphasis that never ends!) from those mentioned. It must also have buy-in from employees in every department throughout the organization.

Basic changes in management strategies may well be required to successfully implement a valuing-diversity emphasis. People typically respond to new ideas in predictable ways based on the extent to which they tolerate perceived risks. Those who perceive little or no risk in valuing diversity view it as a creative opportunity and will be among the first of their peers to endorse the concept. Those who are more cautious about exploring new ideas will likely view diversity to be desirable only after it has been proven beneficial to the organization. Other staff members with the highest level of perceived risk will see diversity as changing the status quo (how things have always been). They will mistrust it and will be very interested in keeping things as they are.

Strategies to implement a valuing-diversity effort should begin by involving those who see its value and should also recognize that employees who are anxious about and/or fearful of it are not likely to change their attitudes quickly. There are no quick-fix implementation plans to convince employees that a valuing-diversity mindset is useful. Instead, it involves lifelong learning, personal commitment, and ongoing self-improvement. In other words, it requires a change in attitude.

Hospitality and tourism employees who value diversity have some basic beliefs that form the framework for their mindset:

- Valuing diversity requires a change in corporate culture, and these change efforts never end.
- When diversity is valued, benefits accrue to employees and to the organization.
- Efforts to implement diversity efforts should include everyone, because every staff member brings diverse attitudes, backgrounds, and experiences to the job.

Hopefully, you now realize that top-level managers cannot simply tell the human resources department (in a large organization) or a specific manager (of a small property) to start a diversity program. Instead, a leadership team comprising representatives throughout the organization who believe in the concept, who have some knowledge about multicultural issues, and who desire and have the time to become involved should be brought together.

Group members have a formidable task in most organizations. They must:

- Obtain input from numerous internal and external sources.
- Identify and consider cultural diversity implementation concerns.
- Arrive at objective conclusions about the readiness of the organization to adapt to cultural change.
- Develop specific and useful plans.
- Assign tasks and monitor their completion.
- Communicate effectively with leaders about diversity issues.
- Plan ongoing activities that promote diversity and its benefits to the organization's staff members.

It typically takes much longer than diversity proponents initially believe to change the corporate culture. Attitudes that have developed over many years and that have passed down through generations must be changed. Even when it becomes an accepted organizational goal, it will take a long time for many employees to value diversity, and some staff members are unlikely to ever accept it.

Diversity goals recognize simple issues. Those who support the concept believe that all staff members want to:

- Be recognized for whom they are and appreciated for what they do.
- Feel comfortable with whom they work.
- Believe that their input is valued and that they have some impact on the decisions that affect them.

As the importance of diversity is better recognized and addressed in the hospitality and tourism workplace, the basic human needs of all staff members will be better recognized.

IT'S THE LAW!

You'll learn about many laws that affect human resources management throughout this book. One that affects many hospitality and tourism organizations—and, perhaps, yourself—concerns the minimum wage.

The United States Fair Labor Standards Act (FLSA) covers most private and public employers and requires that employers pay at least a federal minimum wage. In July 2008, the wage was $6.55 per hour, (with a planned increase to $7.25 in July 2008) but tipped employees could be paid less per hour if their tips, combined with their employer's payment, equaled the federal minimum hourly rate. (To the extent they did not, the employer was required to make up the difference.) If states have a higher minimum wage rate than the federal minimum, then the state wage rate is applied.

Wages paid are of significant (perhaps primary) concern to many job applicants, and for those seeking employment in entry-level positions, even relatively small differentials can impact employment decisions.

Some hospitality associations have typically opposed increases in minimum wage rates for numerous reasons. First, there is the honest belief that higher wages reduce profits, threaten business closures, and limit their constituents' abilities to create and maintain jobs. Second, they point out that many persons who receive the minimum wage are working for spending money and not to support themselves or their families. Third, they note that many of their members employ persons without "world of work" skills who might otherwise be unemployed. Association representatives also correctly indicate that many states require wage rates above the federal minimum, that many organizations pay higher rates than the mandated minimum, and that employers incur significant mandated and voluntary labor-related costs in addition to wages. Finally, they suggest that those working in minimum-wage positions have opportunities for higher wages and salaries through job advancement.

Minimum wage rates, like many other aspects of human resources management, can be viewed from different perspectives. Unfortunately, like many other aspects of human resources management, the issues are complicated and do not suggest easy answers or offer right or wrong approaches. They do, however, have a significant impact on employers, employees, and those being served. Those with human resources responsibilities must stay current with applicable laws, must interpret and apply them correctly, and must be able to communicate their organizations' positions about all matters, including compensation, that affect their employees.

Specific Human Resources Responsibilities

5. List specific human resources responsibilities important in most hospitality and tourism organizations.

What tasks are involved in the management of human resources in a hospitality or tourism organization? The short answer is, "almost everything involved in the relationship between staff members and the organization." A composite response suggesting the range of human resources responsibilities is found in Figure 1.4.

You'll note a wide variety of job tasks in the composite job description shown in Figure 1.4. It is unlikely that any human resources director in any hospitality or tourism organization is responsible for every one of these tasks. It is also possible that additional responsibilities are integral to the job descriptions of top-level human resources personnel in other organizations. However, the job description suggests the wide variety of activities of concern to those with human resources responsibilities.

A quick first glance at Figure 4.1 may lead one to think, "How can any single person do all of these things?" In fact, large organizations may have a director of human resources with one or more professional associates to whom some tasks can be delegated. A more significant question that arises is, "How can the unit manager and his or her staff in a small hospitality and tourism organization without human resources specialists do all of these things?" The answer is: "They probably can't, so they will need to rely on external specialists, and it is likely that problems can arise when there is a lack of time and/or expertise to address all of these issues."

Most hospitality and tourism organizations are too small to enjoy the services of one or more human resources specialists. In that case, managers have only a few options available:

- The general manager must assume responsibility for some of these tasks.
- A decentralized approach may be used in which department heads are responsible for the personnel-related issues relevant to their specific staff.
- Basic policies and procedures are implemented, and a qualified attorney is contacted when issues arise that appear to be outside the boundaries that they impose.
- Unfortunately, other tasks may not be accomplished or may be done incorrectly.

Executive committee: A group comprising department heads who serve as the organization's key management team and who, in this capacity, are responsible for the overall management of the organization.

Just as no single person can probably perform all of the tasks identified in Figure 1.4, one book cannot address all of the necessary human resources issues in the proper depth needed to minimize the possibility of problems. However, the goal of managers in small operations should be to address the most important topics likely to cause the most significant problems.

Human Resources Department

I. Position:

Director of Human Resources

II. Job Summary:

Assists department management staff with recruitment, selection, and orientation of new staff members. Administers payroll records, directs the processing of wage and salary payments, and ensures that all applicable federal, state, and local wage and hour, worker's compensation, and other labor laws are consistently complied with. Implements data collection systems and manages the organization's health, employee protection, retirement, and other benefits programs. Conduct labor analyses, staff planning, and other studies as requested. Serves on the organization's **executive committee**.

III. Job Tasks:

1. Administers employee compensation, benefits, performance management systems, and safety and recreation programs.
2. Advises managers about organizational policies and recommends needed changes.
3. Develops and places recruitment ads, plans recruitment strategies, screens applicants, and makes hiring recommendations.
4. Conducts and reviews wage and benefit surveys, and proposes employee benefit modifications to the general manager.
5. Analyzes data and reports to identify and determine causes of personnel-related problems, and develops recommendations for improvement.
6. Analyzes training needs and designs applicable employee development, language training, and health and safety programs.
7. Conducts exit interviews to identify reasons for employee termination.
8. Maintains organization's policy manual, and communicates policy changes to applicable staff members.
9. Develops, administers, and evaluates applicant tests.
10. Coordinates all employee (personnel) recordkeeping functions.
11. Continually reviews and assists in updating the organization chart and employee handbook.
12. Manages the organization's group insurance, unemployment, and related benefits programs; communicates benefits information to staff, and ensures compliance with legal requirements.
13. Maintains records and compiles statistical reports concerning personnel-related data such as hires, transfers, performance appraisals, and absenteeism rates.
14. Negotiates collective bargaining agreements, helps interpret labor contracts, and administers the formal labor relations program with unionized staff.
15. Oversees the evaluation, classification, and rating of occupations and job positions.
16. Undertakes special projects relating to job description and specification updates, performance appraisal improvements, wage and salary comparison surveys, long-range staff planning, and other personnel issues.
17. Keeps abreast of laws and regulations relating to employees, ensures compliance with these laws and regulations, and advises managers as necessary.

FIGURE 1.4: Composite Job Description for Director of Human Resources

18. Advises line managers about discipline, discharge, and related employment matters.
19. Manages educational and referral programs for alcohol and substance abuse.
20. Assists department heads in planning professional development and training programs for employees.
21. Develops forecasts of short- and long-term staffing needs.
22. Coordinates transfer, promotion, and layoff strategies.
23. Benchmarks employee recruitment and selection processes with others in the industry, and explores new strategies as appropriate.
24. Develops and maintains a library of training resources specifically designed for each position.
25. Plans and implements employee motivation, recognition, and retention programs.
26. Organizes employee activities such as the holiday party and other activities as appropriate.
27. Provides current and prospective employees with information about policies, job duties, working conditions, wages, opportunities for promotion, and employee benefits.
28. Provides terminated employees with outplacement or relocation assistance.
29. Represents the organization at personnel-related hearings and investigations.
30. Oversees all work-related injury claims to ensure integrity, ongoing case management, and reporting compliance.
31. Recruits, hires, trains, supervises, schedules, and evaluates staff members in the human resources department.
32. Works with payroll personnel to ensure that all forms required of new employees are completed.
33. Conducts preliminary employment interviews with position applicants.
34. Investigates and reports on accidents for insurance carriers.
35. Meets with employee relations committee on a regular, scheduled basis.
36. Maintains OSHA-related logs and reports.
37. Coordinates, monitors, and suggests improvements for employee performance appraisal system.
38. Schedules and conducts employee safety meetings.
39. Recommends drug-testing procedures for employee applicants.
40. Interacts with the general manager and department heads to investigate employee violations of policies and to recommend correction actions, if necessary.
41. Interacts with organization's attorney relative to personnel legal issues involving concerns about EEOC, harassment, and lawsuits.
42. Attends staff meetings as scheduled.
43. Serves as a member of the organization's executive committee.

IV. Reports to:

General Manager

V. Supervises:

Human Resources Associates

FIGURE 1.4: (*Continued*)

Human Resources MANAGEMENT ISSUES (1.2)

"I don't know how you do it, Alice," said Maureen. "I manage a Nutrition Services department in a large hospital and continually receive lots of advice from our human resources department about a wide variety of special concerns that otherwise I would never know about."

Maureen was speaking to her old college classmate, Alice, who worked in the same city as manager for a fast-paced casual-service restaurant.

Alice's reply was expected: "Keeping up with legal issues and finding time to address a wide variety of other human resources concerns is a real problem. I try to do the best I can, but there are always fires (emergencies) that must receive a priority. Then, unfortunately, many things that are nice to know and do must be placed on the back burner."

"How do you stay out of trouble, then, Alice?" asked Maureen. "There are always legal concerns, benefits cost issues, and compensation studies, for example, that I would assume are necessary. There also must be lots of things that your employees want and deserve that require some attention," replied Maureen.

"Maureen, you're right! As a manager of a property in a multiunit chain, I do get some support from corporate officials, and I belong to several professional associations and attend meetings and receive updates from that source. I've learned some other tactics along the way, but obviously it's not possible to spend all of the time on human resources concerns that I would like to."

QUESTIONS

1. What additional practical tactics can Alice use to obtain necessary human resources-related information?
2. What information applicable to Maureen's nutrition services employees will likely be relevant to all hospital employees? What specific concerns might Maureen have?
3. What tactics do you think single-unit restaurant operators without corporate-level assistance can use to cope with the less-than-ideal human resources information they probably have easily available to them?

Human Resources Terms

The following terms were defined in this chapter:

Hospitality industry
Labor-intensive
Revenue
Human resources
Human resources management
Employee turnover
Intrapreneur
Management process
Resources
Job descriptions
Manager
Supervisor
Corporate culture
Value-added
Human resources department
Staff specialists
Employee union
Policy
Work procedure
Empowerment
Downsizing
Diversity
Executive committee

For Your Consideration

1. Review Figure 1.2 in the chapter (Basic Management Functions Involve Human Resources Responsibilities).
   a. What additional examples of each management function applicable to human resources might be the responsibility of top-level managers, mid-level managers, and supervisors?
   b. While all of these management functions are important, which do you think are the most important? Why?
2. Review Figure 1.3 in the chapter (External and Internal Influences on Human Resources Activities).
   a. What are additional examples of external and internal influences on each of the basic human resources activities discussed in the chapter?
   b. How might a staff human resources specialist in a multiunit organization assist a property manager with the basic human resources activities noted in Figure 1.3?

Case Study: Human Resources Management in Action

Pedro and Felix were good friends who worked out regularly at the Muscle Man's Gym in their community. By coincidence, Pedro was the Dining Room Manager in an upscale restaurant in a local hotel, and Felix was the Director of Housekeeping at a resort with a similar business volume within easy commuting

distance of the community where both men lived. Not surprisingly, their jobs were a frequent topic of conversation after they completed their workouts.

"Felix, we've talked about this so many times before," said Pedro. "It's hard to believe that our employers are in the same basic business, and hire the same types of people, and yet their philosophies about human resources are so different."

"I agree," said Felix. "At my resort the emphasis is on, first, the guests, second on maximizing profit, and third on the employees. We churn through a lot of staff members who start out with a positive attitude about their work and whose morale then goes quickly downhill as they are confronted with things that really shouldn't happen."

"Give me an example," replied Pedro. "Some of your stories are really fascinating."

"Well," responded Felix, "my most recent stories are really the same old thing. We use out-of-date job descriptions to recruit employees and, many times, there's little resemblance between what new staff think they're going to be doing and what they will actually do. Orientation sessions are done whenever there is time, training is done on-the-run, and if the staff members don't learn quickly, top-level managers conclude that it's because they don't care, not because they haven't been properly trained."

"A lot of our supervisors have been there for a long time and really don't care about the organization or their staff members. They sure don't treat staff the way they would want to be treated themselves."

"Performance appraisals focus on what staff members do wrong, not on what they can do right and how they can improve. There is an ongoing emphasis on job rather than on career, and many employees seem to just mark their time until there is a position vacancy at your hotel."

Pedro had heard Felix talk about these issues many times before. His hotel was, in fact, an employer of choice where many persons in the community did want to work and, subsequently, where employee turnover rates were low. In fact, Pedro had long ago agreed to let Felix know if and when the Executive Housekeeper position vacancy at the hotel became available.

Pedro wondered why Felix's employer didn't seem to be concerned about the problem and wasn't doing anything to address the concerns. To Pedro, they seemed like commonsense issues that had relatively simple fixes. He realized, however, that attitudes were much more difficult to change than procedures were to revise.

After thinking about it for a moment, Pedro said, "Felix, things are going to have to change at the resort, aren't they? You've mentioned that business is getting slower. Maybe it's because employees aren't treated well and they, in turn, are less concerned about the guests. We both know that we'll soon have another hotel in town, and the human resources people there will be aggressively searching for new staff members. If things don't change at your property, things will get even worse than they are now."

"You're right about that, Pedro," said Felix. "Our highest-level managers should already know that they are hurting themselves with their current employee practices. The point will really be driven home, and it will happen a lot sooner than they think."

Dimension: Strategic

1. How are the results of strategies used to manage human resources at Felix's hotel affecting the business?
2. What are possible reasons that top-level managers at Felix's property do not recognize the problems that a lack of focus on human resources concerns are creating?

Dimension: Tactical

1. What could Felix, as a department head, do within his own level of responsibility to improve the management of human resources within his department?
2. What might Felix do to alert others at his resort about the human resources problems that he senses?

Dimension: "The Friendly Competition"

1. What can Pedro's hotel do to capitalize on the human resources problems accruing at Felix's resort?
2. What tactics can Pedro's hotel use as it faces competition for its employees from the new hotel that will soon be opening in the community?

Internet Activities

1. Numerous Web sites provide current information about the world of human resources management. These can be helpful as one studies the topic or works within the hospitality and tourism industry. Check them out!

Hospitality-Related Sites

- Hotel-online.com: *www.hotel-online.com* (Type "labor" in the site's search box).
- Restaurants & Institutions: *www.rimag.com* (Type "human resources" in the site's search box).
- Council of Hotel & Restaurant Trainers (CHART): *www.chart.org* (Click on "resources," and then "research").
- Hospitality Net: *www.hospitalitynet.com* (Type "human resources" in the site's search box).

General HRM-Related Sites

- KnowledgePoint: *www.knowledgepoint.com*
- Workforce Management: *www.workforce.com*

- Society for Human Resources Management: *www.shrm.org*
- World Federation of Personnel Management Associations: *www.wfpma.com*
- Business and Legal Reports: *www.hr.blr.com*

2. The Educational Institute of the American Hotel & Lodging Association (AH&LA) offers a certification program for hospitality human resources professionals. To learn about the program, go to: *www.ei-ahla.org*. When you arrive at the site, click on "Certification," then "Professional Certification Descriptions," and then "Certified Human Resources Professional."

ENDNOTE

1. This section is adopted from: Marilyn Loden, *Implementing Diversity*. Boston, MA: McGraw-Hill, 1996.

CHAPTER **TWO**

The Legal Environment of Human Resources Management

CHAPTER OUTLINE

Employment Law
The Government's Role in the Management of Human Resources
A Manager's Review of Significant Employment Legislation
The Civil Rights Act of 1964 (Title VII)
The Age Discrimination in Employment Act of 1967
The Pregnancy Discrimination Act of 1978
The Worker Adjustment and Retraining Notification (Warn) Act of 1989
The Americans with Disabilities Act (ADA) of 1990
The Family Medical Leave Act of 1993
The International Legal Environment for Multinational Hospitality Companies
The Special Role of the Hospitality Unit Manager
Human Resources Terms
For Your Consideration
Case Study: Human Resources Management in Action
Internet Activities

CHECKLIST OF CHAPTER LEARNING OBJECTIVES

As a result of satisfactory completion of this chapter, readers will be able to:

1. Define and describe "employment law," the legislation directly addressing employer–employee relations.
2. Recognize the importance of the government's role in establishing legal requirements affecting HR management.
3. List and briefly describe selected labor-related legislation enacted in the United States by the federal government.
4. Identify the unique issues facing hospitality companies that operate units in countries with legal systems different from that of the United States.
5. Recognize and appreciate the unique HR-related responsibilities of the hospitality unit manager.

Impact on Human Resources Management

In most cases, hospitality unit managers serve as their own on-site legal counsel. As a result, these individuals are looked upon by their employers as well as those reporting to them to make the legally appropriate decisions in a wide variety of work situations. These range from selecting and disciplining employees to preventing harassment in all of its forms, to employee compensation, employee appraisal, termination, and a myriad of other HR concerns.

Hospitality managers responsible for HR management must fully understand that the wrong HR decision can subject their companies (and themselves!) to significant legal liability. Multimillion-dollar jury awards levied to penalize those companies found to be guilty of improper employment practices are common in the United States. As a result, it is critical that those hospitality managers responsible for HR management recognize, and follow, all of the laws that affect their daily HR-related decision making.

Employment Law

1. **Define and describe "employment law," the legislation directly addressing employer–employee relations.**

Employment law: The body of laws, administrative rulings, and precedents that addresses the legal rights of workers and their employers.

Hospitality managers responsible for HR activities at either the unit or company level must understand the importance of **employment law** to their daily activities and decision making.

Employment law in the United States arose, in most cases, as a result of the demands of workers for better working conditions and the right to organize. Whenever these worker demands were deemed reasonable by a majority of society or the courts, legislation was enacted and became part of the accepted employment practices of the country.

Today, employment laws are still proposed by various segments of society in an effort to ensure fairness in the workplace. The societal view of what actually constitutes fairness in the workplace, however, is often controversial and always changing. For example, some employment-related legislation that would have been considered quite radical in the 1800s is today commonly accepted. For example, the now-accepted concept that the rights of female employees should be equal to those accorded to men was certainly not the norm in the 1800s (recall that it was 1920 before women in the United States gained the right to vote!).

In other cases, the citizens of individual states or cities may vary greatly in their own views of what constitutes fairness in employment. Not surprisingly then, employment laws that vary greatly are likely to be enacted in those states and cities.

As a result, you as a hospitality manager must be keenly aware of the individual employment laws that directly affect you, your operation, and your employees. In this text, the legal consideration of many HR practices will be examined, because the impact of employment laws on those practices is so significant.

In this chapter, you will learn about a variety of employment laws that directly affect the management of a hospitality organization's HR efforts, as well as the management of individual restaurants, hotels, and other hospitality operations. In some cases, the laws directly related to employment in the hospitality industry are general (e.g., the federal laws relating to the rights of workers to unionize). In other cases, the laws related to employment may best be understood in the context of a particular segment of HR management. As a result, laws related specifically to employee recruiting (see Chapter 4), compensation (see Chapter 8), performance appraisal (see Chapter 9), and employee safety and security (see Chapter 10) will be closely examined in those individual chapters.

Hospitality managers, even those working full-time in HR management, are not expected to be attorneys. A lack of understanding about HR-related law, however, can easily produce problems that result in those managers requiring the services of an attorney! Experienced managers know that lawsuits and litigation are expensive and time consuming. Most would also agree that the negative publicity associated with highly publicized lawsuits can be a real detriment to their business (and even their careers). For these reasons, hospitality managers at all levels should take great care to ensure that their actions do not inadvertently create legal issues for themselves and their companies.

The Law and Human Resources: Prevention Is Better Than a Cure

In the medical fields, it is widely agreed that it is better to prevent a serious illness beforehand than to treat it after the fact. For example, doctors would advise that it is preferable to prevent a heart attack through proper diet, exercise, and the elimination of smoking than to perform a bypass operation on a patient after a heart attack has occurred. In the case of prevention, the doctor advises the patient, but it is largely up to the patient to put into practice the physician's recommendations. In a similar vein, it is far better for hospitality managers to understand the laws that relate to HR management than to expose their organizations to the fines and litigation that can result from violations of the law. Therefore, a basic understanding of how employment law is enacted, as well as how current law affects HR management, is absolutely essential.

IT'S THE LAW!

"Deb," a food and beverage server, is accused of stealing money from the purse of a peer in the food and beverage department. Management is convinced that Deb took the cash, but she denies it. Can Deb be required by management to submit to a lie detector test? In most cases, the answer is no.

Societal views about what should be legal at work change constantly. In most cases, issues related to the rights of workers and employers seek to balance the best interests of each group. In some cases, the resulting legislation is, at best, a tenuous compromise. For example, the Employee Polygraph Protection Act of 1988 (EPPA) generally prevents employers from using lie detector tests, either for preemployment screening or during the course of employment, with certain exemptions.

Employers generally may not require or request any employee or job applicant to take a lie detector test, or discharge, discipline, or discriminate against an employee or job applicant for refusing to take a test or for exercising other rights under the Act. In addition, employers are required to display the EPPA poster in the workplace for their employees.

Should employers have the right to require employees to take lie detector tests? Since 1988, they have not, nor will they have it *again* unless and until the societal view supports such a right. Regardless of your position on this specific issue, it is very clear that employment laws will continue to directly influence what those in HR management can and cannot do in all segments of the hospitality industry. As a result, an understanding of laws such as this one is critical!*

*The EPPA prohibits most uses of lie detectors by employers on their employees and job applicants. The Employment Standards Administration's Wage and Hour Division (WHD) within the U.S. Department of Labor (DOL) enforces the EPPA. For more information, call 1-866-4USWAGE or go to *www.dol.gov*.

The Government's Role in the Management of Human Resources

2. Recognize the importance of the government's role in establishing legal requirements affecting HR management.

If you manage a hospitality business, you have many partners in your HR-related activities and decision making, because the hospitality industry is regulated by a variety of federal, state, and local governmental entities. They enforce the many regulations that spell out the ways you must operate your businesses, as well as how you are required to carry out your HR efforts.

Hospitality managers interact with governmental entities in a variety of different ways, and they must observe the procedures and regulations established by the government. Managers must fill out forms and paperwork, obtain operating licenses, maintain their property to specified codes and standards, provide a safe working environment, and, when required, even open their facilities for periodic inspections.

It should come as no surprise that a society, working through its governmental structures, will implement and often revise its rules of employee–employer conduct and responsibility. Society is in a constant state of change, and that has significant implications for those working in business, especially in the hospitality industry. To illustrate, consider the hospitality industry in the United States in 1850. At that time, you would certainly not find a law requiring a specific number of automobile parking spaces to be designated for a restaurant's or hotel's disabled workers.

The world of the 1850s contained neither the automobile nor (importantly) the inclination of society to grant special parking privileges to those who were disabled. In today's society, we have both. What changed? First, the physical world changed. We now have automobiles and the necessity of parking them. More significant, however, is the fact that society's view of how disabled individuals should be treated has changed. Parking ordinances today require designated "Disabled" parking spaces, which are generally located close to the main entrances of buildings to ensure easy access. Not only is it good business to employ those with disabilities, but current laws mandate that the hospitality manager must do so. In this case, employment of the disabled (and parking requirements) grew out of a law created by the federal government, the Americans with Disabilities Act (ADA). It is mentioned here to illustrate that laws evolve just as society evolves. It is important to know current law, but it is just as important to understand that you must keep abreast of changes in the law to ensure that facilities you operate are managed legally.

Just as the federal government has played and will continue to play an important regulatory role in the hospitality industry, so too do the various state governments. It is important to understand that the states serve both complementary and distinct regulatory roles. The roles are complementary in that they support and amplify efforts undertaken at the federal level, but they are distinct in that they regulate some areas in which they have sole responsibility.

The administrative structure or specific entity name will vary by state, but the regulatory process will be similar. It is also important to note that state and locally passed employment law and regulations may affect the actions of hospitality managers even more often than will federal regulations. Codes and ordinances established at the state or local level can often be very strict and may be strictly enforced. The penalties for violating these laws can be just as severe as those at the federal level.

Unemployment compensation: A benefit paid to an employee who involuntarily loses his or her employment without just cause.

Generally, each state regulates significant parts of the employee–employer relationship occurring within its borders. Items such as worker-related **unemployment compensation** benefits, worker safety issues, and at-work injury compensation fall to the state entity charged with regulating the workplace. In addition, in most states, this entity will also be responsible for areas such as employment assistance programs for both employees and employers.

Workers' compensation: A benefit paid to an employee who suffers a work-related injury or illness.

Garnish (ment): A court-ordered method of debt collection in which a portion of a worker's income is paid directly to one or more of that worker's creditors.

Regardless of the state in which you will be working, it will be important to know and follow your state's regulations related to workplace safety and for properly documenting and reporting any work-related injuries. In each state, worker safety and **workers' compensation** will usually be monitored by a workers' compensation agency, commission, or subdivision of the employment security agency.

In most communities, some agency of the court system (sometimes called a "Friend" of the court) will have the responsibility of assisting creditors in securing payment for legally owed debts. These debts can include a variety of court-ordered payments, such as child support payments. In cases such as these, a hospitality manager can be ordered by the court to **garnish** an employee's wages.

The importance to the hospitality industry of local and city governments can be illustrated by examining the actions of the Santa Fe, New Mexico city council. In 2006, the city of Santa Fe initiated the nation's highest minimum wage rate: a city-wide mandated $9.50 per hour. Santa Fe's wage covers all businesses with 25 or more employees. The city's minimum wage is scheduled to rise to $10.50 per hour in 2008, pending another vote by the same city council that overwhelmingly supported the increase to $9.50. By contrast, the federal and New Mexico minimum wages are both lower. The city has had the United States' highest minimum wage since establishing the rate at $8.50 per hour in 2004. Regardless of the local hospitality industry's initial support of, or opposition to, this specific piece of employment legislation, its impact on the Santa Fe hospitality industry is clearly significant.

As you have now learned, employment laws in the United States may be enacted at the federal, state, or local levels. At each of these levels, the laws reflect the desires of citizens and, ultimately, their elected officials and courts. Most hospitality professionals would agree that all workers are best protected when employers, employees, and governmental entities work together to protect wages, benefits, pensions, safety, and health. In most cases, that is the societal intent when passing and enforcing employment-related legislation.

Today, there are literally hundreds of thousands of laws that affect the operation of a hospitality property, and the number increases annually. These laws are implemented and enforced by a variety of governmental entities. In the next portions of this chapter, you will learn about some of the most historically significant of these many employment rules and regulations.

A Manager's Review of Significant Employment Legislation

3. List and briefly describe selected labor-related legislation enacted in the United States by the federal government.

In the view of many historians, the beginnings of the most significant employment legislation passed at the federal level can be traced largely to the New Deal era of the 1930s. However, several important pieces of legislation were passed in the very

Labor union: An organization that acts on behalf of its members to negotiate with management about the wages, hours, and other terms and conditions of the membership's employment.

Interstate commerce: Commercial trading or the transportation of persons or property between or among states.

early 1900s. One of the most noteworthy was the Clayton Act of 1914, which legitimized and protected workers' rights to join **labor unions.** Then, in 1926, Congress passed the Railway Labor Act (RLA), requiring employers to bargain collectively and prohibiting discrimination against unions. It applied originally to interstate railroads but, in 1936, it was amended to include airlines engaged in **interstate commerce.** The Norris-LaGuardia Act, passed in 1932, was the first in a series of laws passed by Congress in the 1930s that gave federal sanction to the right of labor unions to organize and strike.

Perhaps the most important labor legislation of the 1930s was the National Labor Relations Act (NLRA) of 1935, more popularly known as the Wagner Act, after its sponsor, Sen. Robert F. Wagner (NY-D). The NLRA was applicable to all firms and employees engaging in activities affecting interstate commerce. The law's impact included coverage of hotel and restaurant workers, and they and most other workers were guaranteed the right to organize and join labor movements, to choose representatives and bargain collectively, and to strike. It also expressly prohibited employers from:

- Interfering with the formation of a union
- Restraining employees from exercising their right to join a union
- Imposing any special conditions on employment that would discourage union membership
- Discharging or discriminating against employees who reported unfair labor practices
- Refusing to bargain in good faith with legitimate union leadership

The NLRA spurred the growth of unions, whose total membership grew from 3,584,000 members in 1935 to 10,201,000 by 1941 (the eve of World War II).

THE CIVIL RIGHTS ACT OF 1964 (TITLE VII)

Perhaps the single most significant piece of legislation affecting the workplace was passed in the aftermath of a true American tragedy. The assassination of John F. Kennedy in November 1963 resulted in the Lyndon Baines Johnson presidency. On November 27, 1963, addressing the Congress and the nation for the first time as president, Johnson called for passage of a wide-sweeping civil rights bill as a monument to the fallen Kennedy. "Let us continue," he said, promising that "the ideas and the ideals which [Kennedy] so nobly represented must and will be translated into effective action." In June 1964, Congress passed the Civil Rights Act of 1964, the most important piece of civil rights legislation in the nation's history and, on July 2, 1964, President Johnson signed it into law.

Title VII: The specific section of the Civil Rights Act of 1964 that outlaws discrimination in employment in any business on the basis of race, color, religion, sex, or national origin.

This Civil Rights Act of 1964 contains several sections, but for hospitality employers, the most important of these is **Title VII.** Title VII of the Civil Rights Act of 1964 outlaws discrimination in employment in any business on the basis of race, color, religion, sex, or national origin. Title VII also prohibits retaliation against employees who oppose such unlawful discrimination.

Human Resources Management: CURRENT EVENTS 2.1

THE HOTEL AND RESTAURANT UNION

Hospitality workers in the United States have a long history of unionization. Although the hospitality industry as a whole is not, nor has it ever been, heavily unionized, the Hotel Employees and Restaurant Employees Union (HERE), a U.S. labor union representing workers of the hospitality industry, first formed in 1891.

In 2004, HERE merged with the Union of Needletrades, Industrial, and Textile Employees (UNITE) to form UNITE HERE. Major employers contracted in this union include several large casinos (e.g., Harrah's, Caesars, and Wynn Resorts), hotels (e.g., Hilton, Hyatt, and Starwood), and Walt Disney World. HERE and later UNITE HERE were affiliated with the AFL-CIO until September 2005, when the General Executive Board of UNITE HERE voted to leave the AFL-CIO and join with the Change to Win Coalition.

Congress passed the Fair Labor Standards Act (FLSA) in 1938. The main objective of this act was to eliminate "labor conditions detrimental to the maintenance of the minimum standards of living necessary for health, efficiency and well-being of worker." The act established maximum working hours of 44 per week for the first year, 42 for the second, and 40 thereafter. Minimum wages of 25 cents per hour were established for the first year, 30 cents for the second, and 40 cents over a period of the next six years. Interestingly, as of July, 2009, employers must pay covered employees a minimum wage of not less than $7.25 per hour. Hospitality employers may pay employees on a piece-rate basis and, under specific conditions, may consider tips as part of wages (see Chapter 8).

The Fair Labor Standards Act also prohibited child labor in all industries engaged in producing goods in interstate commerce. The act set the minimum age at 14 for employment outside of school hours in nonmanufacturing jobs, at 16 for employment during school hours, and at 18 for hazardous occupations.

Equal Employment Opportunity Commission (EEOC): The entity within the federal government assigned to enforcing the provisions of Title VII of the Civil Rights Act of 1964.

In 1972, the passage of the Equal Employment Opportunity Act, a revision to the Civil Rights Act of 1964, resulted in the formation of the **Equal Employment Opportunity Commission (EEOC).** The EEOC enforces the antidiscrimination provisions of Title VII. The EEOC investigates, mediates, and sometimes even files lawsuits on behalf of employees. Businesses that are found to have discriminated can be ordered to compensate the employee(s) for their damages in the form of lost wages, attorney fees, and other expenses. Title VII also provides that individuals can sue their employers on their own. In most cases, an individual must file a complaint of discrimination with the EEOC within 180 days of learning of the discrimination or lose the right to file a lawsuit.

The following general areas fall under the enforcement jurisdiction of the EEOC:

- Race/color discrimination
- Age discrimination
- National origin discrimination
- Pregnancy discrimination
- Religious discrimination
- Portions of the Americans with Disabilities Act
- Sexual harassment

The impact of the EEOC on the daily tasks of the hospitality manager is clear. Consider, for example, the hotel manager who seeks to schedule a Christian worker on Christmas Day when, of course, the hotel is open. The question that may arise is whether the needs of the manager, who must staff the hotel, should take precedence over those of the worker, who desires a day off on the basis of his or her religious convictions.

Title VII prohibits employers from discriminating against individuals because of their religious beliefs when hiring and firing. It also requires employers to, when possible, accommodate the religious practices of an employee or prospective employee, unless doing so would create an undue hardship on the employer. Flexible scheduling, voluntary substitutions or swaps, job reassignments, and lateral transfers are examples of ways to accommodate an employee's religious beliefs. The question of whether a manager could reasonably accommodate the request of a Christian worker to be off on Christmas Day is complex. The point to be remembered, however, is that managers are not free to act in any manner they desire. The federal government, through the requirements of the EEOC, plays an important role in the HR-related actions of management. Title VII and additional laws enforced by the EEOC are listed in Figure 2.1.

Sexual Harassment: Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.

In the late 1970s, courts began holding that **sexual harassment** is also prohibited under the Act, and in 1986, the Supreme Court held in a lawsuit (*Meritor Savings Bank v. Vinson*, 477 U.S. 57 (1986)) that sexual harassment is sex discrimination, and

Laws Enforced by the Equal Employment Opportunity Commission

- Title VII of the Civil Rights Act
- Equal Pay Act of 1963
- Age Discrimination in Employment Act of 1967 (ADEA)
- Rehabilitation Act of 1973, Sections 501 and 505
- Titles I and V of the Americans with Disabilities Act of 1990 (ADA)
- Civil Rights Act of 1991

FIGURE 2.1: Laws Enforced by the Equal Employment Opportunity Commission

thus is prohibited by Title VII (more detail about this human resource issue is provided in Chapter 10).

Title VII has since been supplemented with legislation prohibiting pregnancy, age, and disability discrimination (see the Americans with Disabilities Act of 1990). Title VII only applies to employers who employ 15 or more employees for more than 19 weeks in the current or preceding calendar year.

The Civil Rights Act of 1964 makes it illegal for employers to discriminate in hiring and in setting the terms and conditions of employment. Labor unions are also prohibited from basing membership or union classifications on race, color, religion, sex, or national origin. The law also is clear in its prohibition of employers retaliating against employees or potential employees who file charges of discrimination against them, refuse to comply with a discriminatory policy, or participate in an investigation of discrimination charges against the employer.

Affirmative action: A federally mandated requirement that employers who meet certain criteria must actively seek to fairly employ recognized classes of workers. (Some state and local legislatures have also enacted affirmative action requirements.)

In later amendments, the Civil Rights Act was expanded to include **affirmative action** requirements. Affirmative action constitutes a good-faith effort by employees to address past and/or present discrimination through a variety of specific, results-oriented procedures. This is a step beyond an equal opportunity law such as Title VII that simply bans discriminatory practices. State and local governments, federal government agencies, and federal contractors and subcontractors with contracts of $50,000 or more, including colleges and universities, are required by federal law to implement affirmative action programs. For those foodservice and hotel managers working in colleges, universities, hospitals, and many other settings, affirmative action plans are required.

Hospitality employers can utilize a variety of techniques for implementing their affirmative action plans. These include:

1. Active recruiting to expand the pool of candidates for job openings
2. Revising selection tools and criteria to ensure their relevance to job performance
3. Establishing goals and timetables for hiring underrepresented groups

Bona fide occupational qualification (BFOQ): A specific job requirement for a particular position that is reasonably necessary to the normal operation of a business, and thus allowing discrimination against a protected class (e.g., choosing a male model when photographing an advertisement for beard trimmers).

Originally, affirmative action activities were intended to correct discrimination in the hiring and promotion of African Americans and other people of color. Now, affirmative action protections are being applied to women, and some government jurisdictions have extended affirmative action provisions to older people, the disabled, and Vietnam-era veterans. The goal of most affirmative action programs is to broaden the pool of candidates and encourage hiring based on sound, job-related criteria. The intended result is a workforce with greater diversity and potential for all.

In some very limited cases, Title VII permits a **bona fide occupational qualification (BFOQ)** to be used to discriminate among workers.

In a rather famous case, Hooters Restaurants came under fire after the EEOC made allegations that it had violated Title VII of the Civil Rights Act by discriminating against men. In 1992, seven men argued that Hooters discriminated against them when it refused to hire them as wait staff. It was true that Hooter's chose to hire only female servers, bartenders, and hosts. As a defense, Hooters attempted

to use female sexuality as a BFOQ. Hooter's, however, markets itself primarily as a restaurant. In this case, the courts looked at the essential nature of the business. Hooters portrays itself to the public as a restaurant; therefore, Hooter's BFOQ did not hold up in court, because being female is not a requirement for the job of serving food. It is important to understand that the government, through the EEOC, and not an individual hospitality business, can authorize the legal use of a BFOQ.

In addition to the Civil Rights Act of 1964, many states also have their own civil rights laws that prohibit discrimination. Sometimes, state laws are more inclusive than the Civil Rights Act, in that they expand protection to workers or employment candidates in categories not covered under the federal law (such as age, marital status, sexual orientation, and certain types of physical or mental disabilities). State civil rights laws may also have stricter penalties for violations, including fines and/or jail time. For example, it is illegal in California for an employer to discriminate against an employee because of that employee's sexual orientation or perceived sexual orientation.

The Civil Rights Act of 1964 does not specifically prohibit this type of discrimination. It is important to remember that HR managers working in the hospitality industry must be aware of all civil rights laws in effect in the location where they are working. While a state or local law is not permitted to take away employee rights granted at the federal level, they are allowed to add to them. Thus, as in the California example, an employee group not protected by federal law may be granted protection by a more favorable (to the employee) local law.

It is important for hospitality managers to understand that, in the general case, federal (as well as many state and local) laws are intended to define and prevent inappropriate **disparate treatment** of employees based on a non-job-related characteristic.

Disparate treatment: The claim that, in the same situation, one employee was treated differently than other employees.

Disparate (adverse) impact: The claim that an employer's action, though not intentionally discriminatory, still results in unlawful discrimination. Also known as *adverse impact.*

Disparate treatment is a basic concept in employment discrimination cases. Lawyers classify employment discrimination cases as either disparate treatment cases or **disparate (adverse) impact** cases.

In a disparate treatment case, the employee's claim is that the employer treated him or her differently than other employees who were in a similar situation. For example, both Sara and Randy are late for work one day, and the employer fires Sara but does not fire Randy. If the reason Sara was fired is that she is female, then the employer has engaged in disparate treatment because of sex, which would be a violation of Title VII. If, however, Sara had been late ten times in the last ten days, and Randy had not previously been late despite having worked for the company for five years, the termination (because it was job related) would be lawful.

In a disparate impact case, the claim is that the employer has a practice that has a much bigger impact on one group than on another. For example, the employer won't hire janitors unless they are high school graduates. This might have a much bigger impact on selected minority group candidates as a whole than on whites as a whole and may not truly be a job-related requirement. Disparate impact policies are also illegal and point to the importance of HR managers carefully reviewing all employment policies to ensure they do not inadvertently lead to charges of disparate treatment or disparate impact.

Human Resources MANAGEMENT ISSUES (2.1)

"I'm sorry, Danielle," said Jetta Goh, the owner and manager of the Golden Dragon restaurant. Ms. Goh had placed a classified ad for a server in the employment section of the local newspaper. The response was good, and Danielle Hidalgo, the daughter of a Mexican citizen and an American citizen who was born and raised in the United States, had applied, as well as many others. Danielle was an excellent server with an outstanding work history. She was learning, via the telephone, however, that another candidate of the same ethnic background as Ms. Goh had been selected for the job.

Ms. Goh continued: "You know, Danielle, people come to the Golden Dragon for an Asian dining experience; they expect Asian servers. That's why I only hire a certain type person for front of the house positions, but there could be a spot for you in the back of the house. Are you interested?"

1. Do you think Ms. Goh has violated the Civil Rights Act of 1964?
2. Would your opinion change if Ms. Goh maintained that she did not discriminate because of race because she had, in the past, hired Chinese, Korean, Hmong, and Vietnamese workers as servers?
3. As an HR specialist in hospitality, what would you advise Ms. Goh to do in the future? What would you advise Ms. Hidalgo to do now?

THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967

The Age Discrimination in Employment Act of 1967 (ADEA) was initially passed to prevent the widespread practice (at that time) of requiring employees to retire at age 65. As worker life spans increased, it made little sense for employees to be forced to retire when many could and wanted to remain on the job. The ADEA originally gave protected-group status to those workers between the ages of 39 and 65. Since 1967, the act has been amended twice; once in 1978, when the mandatory retirement age was raised to 70, and then again in 1986, when the mandatory retirement age was removed altogether.

The ADEA now protects individuals who are 40 years of age or older from employment discrimination based on age. The ADEA's protections apply to both employees and job applicants. Under the ADEA, it is unlawful to discriminate against people because of their age, with respect to any term, condition, or privilege of employment, including hiring, firing, promotion, layoff, compensation, benefits, job assignments, and training. It is also unlawful to retaliate against an individual for opposing employment practices that discriminate based on age or for filing an age discrimination charge, testifying, or participating in any way in an investigation, proceeding, or litigation under the ADEA.

In 1986, an important amendment to the Age Discrimination in Employment Act eliminated the mandatory retirement age. *Courtesy PhotoDisc/Getty Images*

The ADEA makes it unlawful to include age preferences, limitations, or specifications in job notices or advertisements. As a narrow exception to that general rule, a job notice or advertisement may specify an age limit in the rare circumstances where age is shown to be a bona fide occupational qualification (BFOQ) reasonably necessary to the operation of the business. For example, airline pilots may still be required to retire at a certain age because of evidence that increasing age causes a decline in piloting abilities. Customer preference is not a rationale that will result in the granting of a BFOQ by the EEOC. Thus, for example, a male bar owner who determines that his customers like young (and attractive) servers better than older ones would not be allowed to hire only young servers. He would also not be allowed to terminate servers as they became older, even if the bar owner honestly believed it would be good for business.

In fact, the ADEA does not specifically prohibit an employer from asking an applicant's age or date of birth. In the hospitality industry, for example, it may be legally necessary to establish an applicant's age prior to hiring him or her to serve alcohol or to operate certain types of potentially dangerous kitchen equipment. It is important to understand, however, that because such inquiries may deter older workers from applying for employment or may otherwise indicate possible intent to discriminate based on age, requests for age information will be closely scrutinized by the EEOC to make sure that the inquiry was made for a lawful purpose, rather than for a prohibited purpose.

The Older Workers Benefit Protection Act of 1990 (OWBPA) amended the ADEA to specifically prohibit employers from denying benefits to older employees. This law was passed to prevent the practice of reducing employment benefits such as medical insurance based on an employee's age. An employer may reduce benefits

based on age only if the cost of providing the reduced benefits to older workers is the same as the cost of providing benefits to younger workers. The ADEA applies to employers with 20 or more employees, including state and local governments. It also applies to employment agencies, labor organizations, and the federal government.

THE PREGNANCY DISCRIMINATION ACT OF 1978

The Pregnancy Discrimination Act of 1978 is actually an amendment to Title VII of the Civil Rights Act of 1964. As a result, discrimination on the basis of pregnancy, childbirth, or related medical conditions now constitutes unlawful sex discrimination under Title VII. Women affected by pregnancy or related conditions must be treated in the same way as other applicants or employees with similar abilities or limitations. An employer cannot refuse to hire a woman because of her pregnancy-related condition as long as she is able to perform the major functions of her job. Also, an employer cannot refuse to hire her because of prejudices against pregnant workers or the prejudices of coworkers, clients, or customers.

An employer may not single out pregnancy-related conditions for special procedures to determine an employee's ability to work. However, an employer can use any legal procedure utilized to consider other employees' abilities to work. For example, if an employer requires employees to submit a doctor's statement concerning their inability to work before granting leave or paying sick benefits, the employer may require employees affected by pregnancy-related conditions to submit the same type of statements.

Pregnant employees must be permitted to work as long as they are able to perform their jobs. If an employee has been absent from work as a result of a pregnancy-related condition and recovers, her employer may not require her to remain on leave until the baby's birth. An employer may not prohibit an employee from returning to work for a predetermined length of time after childbirth, nor can a company refuse to allow a "reasonable" amount of unpaid leave time after a baby's birth. Although the law did not specifically establish a definition for "reasonable" time off after a baby's birth, many organizations consider six weeks to be reasonable, and that time frame has been supported by the EEOC. Pregnancy leave does not have to be paid leave, unless the company has a policy of paying employees who are on medical leave. If it does, then the law requires that the pregnant employee be treated identically to an employee on leave for non-pregnancy-related medical reasons.

Employers must hold open a job for a pregnancy-related absence the same length of time that jobs are held open for employees on sick or disability leave. Any health insurance provided by an employer must cover expenses for pregnancy-related conditions on the same basis as costs for other medical conditions. Employers must also provide the same level of health benefits for spouses of male employees as they do for spouses of female staff members.

The Pregnancy Discrimination Act also requires that pregnancy-related benefits cannot be limited to married employees. If an employer provides any benefits to

workers on leave, the employer must provide the same benefits for those on leave for pregnancy-related conditions. In summary, hospitality organizations, as well as any other employer, must treat an employee's pregnancy exactly the same as other temporarily disabled employees for accrual and crediting of seniority, vacation calculation, pay increases, and temporary disability benefits. It is also important to understand that where no benefits are offered to employees, the employer is not required by this law to provide benefits for those who are or become pregnant. The law simply states that, where employee benefits are *already* offered, they must be uniformly offered to those employees who are or become pregnant.

Human Resources MANAGEMENT ISSUES (2.2)

"I don't get it," said Tonya Zollars, the new HR Director for Clubs International, a company that specialized in the operation of golf, city, and other private clubs. Tonya had just finished reading the annual evaluation for Naomi Yip, the sous chef at one of the private city clubs managed by her company. Naomi had been with the organization for five years and was considered one of the company's best and brightest culinary artists. Every evaluation she had received since joining the company was excellent. However, her current supervisor did not, at the end of the evaluation, check the box "Ready for Promotion" that each of her previous supervising chefs had checked.

"Well," said Thomas Hayhoe, the executive chef who completed the evaluation, "You know Naomi's gonna have a baby. She's due in five months. I like Naomi a lot, but maybe it would be better for her right now not to take on the added responsibilities a promotion would require. She told me she's looking forward to spending as much time as possible with her baby, and you know as well as I do that at the next level, 60-plus hours weekly for the executive chef's job are the norm around here."

Clubs International has just been awarded the contract to operate a new and lucrative account, the Hawk Hollow Golf Club. Assume you were advising the company's vice president of operations about the new executive chef's position there.

1. Should Tonya recommend offering Naomi the promotion to executive chef at Hawk Hollow?
2. Based on Chef Hayhoe's evaluation, what would you advise Tonya to say if her own boss opposed her recommendation?
3. Do you feel it would be appropriate to inform the new client (Hawk Hollow) of Naomi's condition so their input could be considered?

THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION (WARN) ACT OF 1989

The Worker Adjustment and Retraining Notification Act (WARN) is sometimes called the Plant Closing Act. It was enacted in August 1988 and became effective in February 1989. WARN offers protection to workers by requiring employers to provide notice 60 days in advance of the closing of an employment site or in the event of a mass layoff. This notice must be provided either directly to the affected workers or their representatives (e.g., a labor union) and to the appropriate unit of local government. One intent of the law is to allow workers to seek alternative employment options when their employer is committed to closing their employment sites. In most cases, employers are covered by WARN if they have 100 or more employees, not counting employees who have worked less than 6 months in the last 12 months, and exclusive of employees who work an average of less than 20 hours per week. Private, for-profit employers and private, nonprofit employers are covered. Employees entitled to notice under WARN include hourly and salaried workers, as well as managerial and supervisory employees. Business partners such as vendors and suppliers, however, are not entitled to notice under the Act.

An employer must give notice if an employment site will be shut down, and the shutdown will result in an employment loss for 50 or more employees during any 30-day period. In the hospitality industry, many restaurants are too small to be covered by WARN. In many cases, limited-service hotels also employ too few workers to be covered. An exception, however, is common in the case of the sale of larger full-service hotels. Often, the sale will result in partial or full closure of a property to rebrand the hotel with a new **franchisor.** These situations are covered by the WARN Act.

Franchisor: The business entity that has sold or granted a franchise.

When a covered property is sold, the following requirements apply:

1. In each situation, either the buyer or the seller is, at all times, the employer responsible for giving notice.
2. If the sale by a covered employer results in a covered employment site closing or a mass layoff, employees must receive at least 60 days' notice.
3. The seller is responsible for providing notice of any covered employment sites closing or a mass layoff that occurs up to and including the date/time of the sale.
4. The buyer is responsible for providing notice of any covered employment sites closing or a mass layoff that occurs after the date/time of the sale.
5. No notice is required if the sale does not result in a covered employment site closing or a mass layoff.
6. Employees of the seller, on the date of the sale, become, for purposes of WARN, employees of the buyer immediately upon completion of the sale. This provision preserves the notice rights of the employees of a business that has been sold.

"Employment loss" as defined by the WARN Act includes:

1. Termination, other than a discharge for cause, voluntary departure, or retirement
2. A layoff exceeding six months
3. A reduction in an employee's hours of work of more than 50 percent in each month of any six-month period

An employee who refuses a transfer to a different employment site within reasonable commuting distance is not considered to have experienced an employment loss. An employee who accepts a transfer outside this distance within 30 days after it is offered or within 30 days after the employment site closing or mass layoff also is not considered to have experienced an employment loss.

There are some allowable exceptions to the 60-day notification rule. These are:

1. *Faltering company*. This exception covers situations where a company has sought new capital or business contracts to stay open and where giving notice would ruin the opportunity to get the new capital or business. This applies only to property closings.
2. *Unforeseeable business circumstances*. This exception applies to closings and layoffs that are caused by business circumstances that were not reasonably foreseeable at the time notice would otherwise have been required.
3. *Natural disaster*. This applies where a closing or layoff is the direct result of a natural disaster, such as a flood, earthquake, drought, or storm (e.g., New Orleans hotels during Hurricane Katrina in 2005).

If an employer provides less than 60 days' advance notice of a closing or layoff and relies on one of these three exceptions, the employer bears the burden of proof that the conditions for the exception have been met. The employer also must give as much notice as practicable. An employer who violates the WARN provisions by ordering an employment site closing or a mass layoff without providing appropriate notice is liable to each affected employee for an amount including back pay and benefits for the period of violation (up to 60 days).

THE AMERICANS WITH DISABILITIES ACT (ADA) OF 1990

In July 1990, the Americans with Disabilities Act (ADA) was enacted. It now applies to those private employers, state and local governments, employment agencies, and labor unions employing 15 or more workers. The ADA prohibits discrimination against people with disabilities in the areas of public accommodations, transportation, telecommunications, and employment. The ADA is a five-part piece of legislation, but Title I of the Act focuses primarily on employment.

Three different groups of individuals are protected under the ADA:

1. An individual with a physical or mental impairment that substantially limits a major life activity. Some examples of what constitutes a "major life activity" under the Act are seeing, hearing, talking, walking, reading, learning, breathing, taking care of oneself, lifting, sitting, and standing.
2. A person who has a record of a disability
3. A person who is "regarded as" having a disability

Reasonable accommodation: Any modification or adjustment to a job or the work environment that will enable a qualified applicant or employee with a disability to participate in the application process or to perform the job's essential functions.

Employers cannot reduce an employee's pay simply because he or she is disabled, nor can they refuse to hire a disabled candidate if, with **reasonable accommodation,** it is possible for the candidate to perform the job.

Not surprisingly, one of the significant issues regarding ADA is the practical application of the word *reasonable*, when considering how to best accommodate a disabled job candidate or employee. Therefore, a basic understanding of the U.S. court system's continuous defining and refining of the term is critical for hospitality managers.

For example, the courts have held that restructuring a job to shift a minor (nonessential) responsibility for a task from a disabled to a nondisabled employee is a reasonable accommodation. In addition, allowing disabled workers extra unpaid leave when it does not present a hardship to the business is considered a reasonable accommodation. It is important to note, however, that an employer is not required to provide a disabled worker with more paid leave than the employer provides its nondisabled workers.

Modified or part-time schedules are considered reasonable accommodations when they do not cause the employer undue hardship. A modified schedule may involve adjusting arrival or departure times, providing periodic breaks, altering when certain job tasks are performed, allowing an employee to use accrued paid leave, or providing additional unpaid leave.

Certain things are not considered reasonable accommodations and are, therefore, not required. For example, an employer does not have to eliminate a primary job responsibility to accommodate a disabled employee. In addition, an employer is not required to lower productivity standards that are applied to all employees, but the employer may be required to provide reasonable accommodation to enable an employee with a disability to meet the productivity standard. An employer is also not required to provide a disabled worker with personal-use items such as a prosthetic limb, a wheelchair, eyeglasses, hearing aids, or similar devices. In other words, an employer is not required to make a reasonable accommodation when that accommodation would cause an undue hardship on the employer.

Generally speaking, an undue hardship occurs when the expense of accommodating the worker is excessive, or when it would disrupt the natural work environment. Unfortunately, the law in this area is vague. Therefore, any employer who maintains that accommodating a worker with a disability would impose an undue hardship should be prepared to document such an assertion. After investigation, the EEOC will ultimately issue a "right to sue" letter to an employee if it feels an employer is in violation of the ADA.

An employee's request for a reasonable accommodation or the granting of a reasonable accommodation is typically a matter to be discussed only between the employer and the employee. An employer may not disclose that a disabled employee is receiving a reasonable accommodation, because this usually amounts to a disclosure that the individual has a disability. (The ADA specifically prohibits the disclosure of an employee's medical information except in very limited situations, which never includes disclosure to coworkers.)

As a hospitality employer, you may be faced with questions from your nondisabled employees about why a coworker is receiving what is perceived as different or special treatment. The best response to questions of this type is to emphasize that all employees' special needs are accommodated when it is possible to do so. You may also find it helpful to point out that many of the workplace issues encountered by employees are personal and that, in these circumstances, it is your company's policy to respect employee privacy. You may be able to make this point even more effectively by reassuring the employee asking the question that his or her privacy would similarly be respected if it was necessary for him or her to request some type of workplace change for strictly personal reasons. There may not be any pressure from the employer to do so, but employees with a disability may voluntarily choose to disclose to coworkers that they are receiving a reasonable accommodation.

Even with the passage of the ADA, an employer does not have to hire a disabled applicant who is not qualified to do a job. The employer can still select the most qualified candidate, provided that no applicant was eliminated from consideration because of a qualified disability.

Although the law in this area is changing rapidly, the following conditions currently meet the criteria for a qualified disability and are protected under the ADA:

- AIDS
- Cancer
- Cerebral palsy
- Tuberculosis
- Heart disease
- Hearing or visual impairments
- Alcoholism

Conditions that are not currently covered under the ADA include:

- Kleptomania
- Disorders caused by the use of illegal drugs
- Compulsive gambling
- Sexual behavior disorders

Employers are required to post notices of the ADA and its provisions in a location where they can be seen by all employees. One reason is that the ADA has

changed the way employers may select employees. Questions on job applications and during interviews that cannot be asked include:

1. Have you ever been hospitalized?
2. Are you taking prescription drugs?
3. Have you ever been treated for drug addiction or alcoholism?
4. Have you ever filed a workers' compensation insurance claim?
5. Do you have any physical defects, disabilities, or impairments that may affect your performance in the position for which you are applying?

One very important ADA provision of which foodservice employers should be aware concerns employees and job applicants who have infectious and communicable diseases. Each year, the U.S. Secretary of Health and Human Services publishes a list of communicable diseases that, if spread through the handling of food, could put a foodservice operation's guests at risk. Employers have the right not to assign or hire an individual carrying one of the identified diseases to a position that involves the handling of food, but only if there is no reasonable accommodation that could be made to eliminate such a risk.

Accommodating Disabled Employees

To reduce the risk of an ADA noncompliance charge related to reasonable accommodation, the following steps can be of great assistance.

Steps for ADA Reasonable Accommodation

1. Can the applicant perform the essential functions of the job with or without reasonable accommodation? (You can ask the applicant this question.)

   If "no," then the applicant is not qualified and is not protected by the ADA.

   If "yes," then go to question 2.

2. Is the necessary accommodation reasonable? To answer this question, ask yourself the following: Will this accommodation create an undue financial or administrative hardship on the business?

   If "yes," you do not have to provide unreasonable accommodations.

   If "no," then go to question 3.

3. Will this accommodation or the hiring of the person with the disability create a direct threat to the health or safety of other employees or guests in the workplace?

   If "yes," you are not required to make the accommodation and have fulfilled your obligation under the ADA.

THE FAMILY MEDICAL LEAVE ACT OF 1993

The Family and Medical Leave Act (FMLA) was enacted in February 1993. This law allows an employee to take unpaid leave due to pregnancy, illness, or to care for a sick family member. It was one of the first major bills signed by President Bill Clinton in his initial term. Prior family leave bills had either failed in Congress or been vetoed by the previous President George H. W. Bush. Understanding the FMLA is important for at least two reasons: (1) the actual content and impact of the law; and (2) the history of the FMLA provides managers with a recent (and continuing) example of how employment laws in the United States are proposed, debated in the public arena, and, in many cases, enacted in some form or another.

Currently, the FMLA requires employers of 50 or more employees (and all public agencies) to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the birth and care of a child, for placement with the employee of a child for adoption or foster care, or for the serious illness of the employee or an immediate family member. For purposes of the FMLA, an immediate family member is defined as a spouse, child, or parent of the employee.

Employees may elect (and employers can require) that any accumulated paid leave due to employees (e.g., paid vacation time or paid personal days off) be used before the employee begins unpaid leave. In all cases, employees are required under the FMLA to make a reasonable effort to schedule any medical treatment so as not to disrupt their employer's business. They must also, when possible, give their employer 30 days' notice of their intent to take FMLA-mandated time off.

Under the FMLA, employers can require that a request for leave be certified as necessary by the healthcare provider of the eligible employee or of the child, spouse, or parent of the employee, as appropriate. When the employer requests it, the employee is required to provide, in a timely manner, a copy of the certification to the employer.

In most cases (there are some very limited exceptions for extremely critical or key positions), an employer must allow the employee to return to the same position he or she held when the leave commenced, to an equivalent position, or to one virtually identical to the employee's former position in terms of pay and working conditions, including status and benefits. Also, the fact that the employee took the leave may not be held against the employee in other ways, including when determining pay increases or during the employee's performance reviews.

Perhaps it is not surprising that the FMLA has proved popular with employees but less popular with employers. According to recent data from the U.S. Department of Labor, 42 percent of workers who have taken unpaid time off under the FMLA have done so to care for their own serious illness; 26 percent have taken time off to care for a new child or for maternity disability reasons; 13 percent have taken time off to care for a seriously ill parent; 12 percent have taken time off to care for a seriously ill child; and 6 percent have taken time off to care for a seriously ill spouse. In some cases, employers have maintained that employees have abused the law by requesting time off for frivolous reasons or in ways that are disruptive to their businesses.

It is highly likely that changes to the current FMLA will be proposed or enacted. The language of the FMLA was originally drafted by the National Partnership for Women and Families (formerly known as the National Women's Defense Fund), a nonprofit organization that seeks to promote "fairness in the workplace, quality health care, and policies that help women and men meet the dual demands of work and family." Groups such as this and others who feel strongly about the issue currently support efforts to expand the provisions of the FMLA. Consider your reactions to some of the suggestions that have been proposed to modify the FMLA:

1. Allow covered and eligible employees to take up to 24 hours of leave per year to participate in their children's academic school activities or literacy training. (Currently, the FMLA allows leave for serious health needs of family members, but it does not give parents unpaid leave and job protection to address their children's educational needs.)
2. Lower the eligibility threshold for employers from 50 employees to 25 or more.
3. Lower the eligibility threshold for employers from 50 employees to 15 or more.
4. Include FMLA benefits for victims (female and male) of domestic violence.
5. Provide federal money to the states to fully or partially replace the lost family income of those individuals who requested and took advantage of the unpaid time off provisions of the FMLA.

Alternatively, business groups also have ideas for modifying the FMLA. They suggest ways to make the law more equitable and to better serve the needs of society (and not just those of the immediately affected workers).

Regardless of your personal position on the value that the FMLA brings to workers and employers, the dialogue on it and other issues related to the workplace and the public interest will continue. The outcome will ultimately shape what HR managers in the hospitality industry and others can do as they operate their facilities.

In future chapters, you will learn about more laws that affect the HR decisions of hospitality managers. As the workplace continues to evolve, legislation affecting it will also likely continue to evolve at the federal, state, and local levels. Therefore, hospitality managers with HR responsibilities should stay informed about pending legislation and actively take part in the public opinion debates that help shape governmental policies. It is for those reasons (obtaining information and making their voices heard) that many hospitality managers become active in one or more professional trade associations.

Figure 2.2 summarizes some of the most important labor-related legislation passed in the United States in the last 75 years. The effects of legislative changes on the manner in which businesses and workers must be managed is significant.

Purpose of Legislation	Bill	Enacted
Legalize labor unions	Wagner Act	1935
Require overtime pay	Fair Labor Standards Act	1938
Mandate equal pay for equal jobs	Equal Pay Act	1963
Prohibit discrimination based on selected worker characteristics	Civil Rights Act	1964
Prohibit age discrimination	Age Discrimination in Employment Act	1967
Protect workers' health and safety	Occupational Safety and Health Act	1970
Allow workers access to their personal files	Privacy Act	1974
Require documentation of legal status prior to employment	Immigration Reform and Control Act	1986
Allow continuation of selected benefits after job loss	Consolidated Omnibus Budget Reconciliation Act (COBRA)	1986
Mandate employee notification prior to business closing	Plant Closing Bill	1989
Prohibit discrimination based on workers' disabilities	Americans with Disabilities Act	1990
Allow workers unpaid leave for selected medical and family matters	Family and Medical Leave Act	1993
Mandate personal responsibility for financial reporting of business results	Sarbanes-Oxley Act	2002

FIGURE 2.2: Selected Significant Labor-Related Legislation

The International Legal Environment for Multinational Hospitality Companies

4. Identify the unique issues facing hospitality companies that operate units in countries with legal systems different from that of the United States.

As a hospitality organization grows from one that operates within a single country (and, therefore, within a single legal environment) to one that operates internationally, the HR management function must also grow to consider a new

and broader perspective. As a hospitality company expands, first with single operations (and, perhaps, franchise partners) in other countries to multiunit management on multiple continents, the legal environment in which that company must operate will become increasingly complex.

The rise of global expansion should be no surprise to hospitality managers, because travel, tourism, and an interest in international cuisines have historically been integral parts of the industry. As cooking methods and menu items that are popular in one culture are introduced to another, their popularity often expands. Examples in the U.S. foodservice industry include Coca-Cola, the Atlanta, Georgia-based soft drink company, and McDonald's, the Oak Brook, Illinois-based franchisor and restaurant operator. In the hotel segment, companies such as Hilton and Marriott have long operated hotels internationally.

To more closely examine just one international success story, consider Ray Kroc, who opened the first McDonald's restaurant in Des Plaines, Illinois, in 1955. Today, McDonald's restaurants are operated in 115 countries worldwide and serve more than 50 million customers per day. McDonald's operates or franchises more than 13,500 restaurants in the United States, but an even larger number of stores now exist *outside* the United States. Figure 2.3 presents only a *partial* list of countries in which you could visit one of the more than 30,000 McDonald's restaurants worldwide.

Clearly, the HR function at McDonald's, as well as many other hospitality companies, has significant international dimensions. As the U.S. hospitality business continues to grow, it is natural that more companies will look beyond their own

Argentina	Ecuador	Kuwait	Singapore
Australia	Egypt	Lebanon	Slovakia
Austria	Finland	Malaysia	Slovenia
Bahrain	France	Mexico	South Africa
Belgium	Germany	Netherlands	Spain
Brazil	Greece	Oman	Sweden
Bulgaria	Guatemala	Paraguay	Switzerland
Canada	Hong Kong	Pakistan	Taiwan
Chile	Hungary	Peru	Turkey
China	India	Poland	United Arab Emirates
Colombia	Ireland	Portugal	United Kingdom
Croatia	Italy	Qatar	United States
Cyprus	Japan	Romania	Uruguay
Czech Republic	Jordan	Russia	Yugoslavia
Denmark	Korea	Saudi Arabia	

FIGURE 2.3: Selected McDonald's Locations Worldwide

Human Resources Management: CURRENT EVENTS 2.2

WOMEN'S RIGHTS IN SAUDI ARABIA

The rights of women as professional hospitality managers in Saudi Arabia are very different from those enjoyed by women in the United States. In a society where women constitute the majority of the population and account for more university graduates than men, they have few of the rights that most of Western society usually grants. Women are not allowed to study any subject they desire; law and engineering, for example, are closed to them. In addition, they continue to be barred from jobs that are deemed not suitable to their nature. They cannot vote, travel without the explicit approval of their husband or a male guardian, drive, or work in most government offices. Even when hired in a private office, they usually work in a separate room from men. What has perhaps most attracted the attention of the human rights and feminist groups in the West is the fact that Saudi women must wear an *abayas* (a neck-to-ankle black robe) and cover their hair with a black scarf. Many Saudi women, however, say what they need most is not a debate over what they can or cannot wear. Instead, they want to gain social respect and political equality. Some other women say they prefer the status quo because of their own cultural and religious views.

Regardless of their personal opinions on the issue, it is clear that, for U.S. citizens (male or female) assigned by their companies to work in Saudi Arabia, that Middle Eastern society's view of appropriate roles for working women is an example of the many cultural differences faced by international hospitality managers.

country's borders for expansion and growth. This trend is certainly likely to continue in the areas of restaurants, hotels, and contract and healthcare food services.

Many hospitality professionals work at some point in their careers with a company that does business internationally. There are a variety of reasons why you might be assigned the responsibility of HR management in your company's international operations. These include:

- Your education and past work history give you the experience you need to succeed in the job.
- No local staff (in the foreign country) is currently qualified to assume the responsibility.
- Your responsibilities include the training of local HR staff.
- Local persons are being trained for positions that will ultimately replace the need for your assistance, but they are not yet qualified to assume 100 percent responsibility.

- Your employer wants you and other managers to gain a global perspective.
- It is in the company's best long-term interest to improve the cultural understanding between managers and employees in the company's various international components.
- An international assignment is considered an integral part of your professional development process.
- There is an interest in obtaining tighter administrative control over a foreign division or addressing and correcting a significant problem.
- There are HR operating or public relations issues that require long-term on-site management direction to properly address the issues.

How different are HR-related issues (and their management) in other countries? Consider an item as straightforward as accrued vacation time. In this area, the expectations management may have for its workers and the expectations these workers have for management can differ widely. To illustrate, Figure 2.4 details the amount of paid vacation earned by employees who have worked at least one year in several different countries in which U.S. companies typically do business.

The quality of training and the availability of qualified numbers of employees can be problematic HR issues in many areas of the world. Also, employee and management attitudes toward gender equality, appropriate dress, work ethic, religious tolerance, and minorities' rights are additional areas that can present significant challenges to international HR managers. As you have learned, individual societies create laws that reflect their cultures and values and, because cultures vary, HR-related laws in different cultures are also different.

It is also important to understand that the introduction of U.S. cultural values that are so valued by U.S. citizens does not ensure that individuals working in other countries will readily embrace those values. Some people believe that the expansion of U.S. companies such as Coca-Cola, McDonald's, KFC, Pizza Hut, and others to foreign countries has had an overall negative effect on the local culture of the areas in which they are located. Others, however, believe that the impact of international expansion and development in terms of economic benefits (job creation and the expansion of local entrepreneurship) is extremely positive.

Both groups would likely agree, however, that the past need not dictate the future. International companies may or may not have done all they should have in the past to ensure a positive impact on their operations. All should agree that these companies, through enlightened HR practices, can shape the future through positive activities to improve their own profitability and the quality of life in the communities where they are located.

Expatriate manager: A citizen of one country who is a working manager in another country.

These HR issues require **expatriate managers** to seriously reexamine their personal views of fairness and even morality.

For example, assume that you, as a restaurant manager in a foreign country, pay wages that are considered to be very good in that country, but that are significantly less (in U.S. dollars paid per hour) than those granted to U.S. workers who are doing the same job. Some observers would say your restaurant is providing valuable local jobs at fair wages; others might accuse your company of injustice because of the disparity in wage rates paid. Add to this challenge the fact that, in

Country	Vacation Time Earned
Argentina	14 calendar days
Australia	No law, but 4 weeks is standard
Belgium	20 days with premium pay
Bulgaria	20 business days
Canada	At least 2 weeks, as determined by provincial law
Chile	15 days
China	0
Czech Republic	4 weeks
France	5 weeks
Germany	4 weeks
Hong Kong	7 days
Hungary	20 days
Ireland	4 weeks
Israel	14 days
Italy	Mandated vacation; length determined by employment contract
Japan	10 days paid time off
Mexico	6 days
Poland	18 days
Puerto Rico	15 days
Saudi Arabia	15 days
Singapore	7 days
South Africa	21 consecutive days
South Korea	10 days
Spain	30 days
Sweden	5 weeks
Taiwan	7 days
The Netherlands	4 weeks
Turkey	12 days
UK	European Community directive (4 weeks annual leave)
Ukraine	24 calendar days
US	No national requirement; 2 weeks is common but not mandatory
Venezuela	15 paid days

FIGURE 2.4: Annual Earned vacation time

many cultures, it is traditional to pay men more than women for doing identical work, and you can easily see the type of HR difficulties you may face. It is beyond the scope of this text to address and comment on all of the legal issues of wage and gender inequities and business variations due to the cultures that are routinely

Human Resources Management: CURRENT EVENTS 2.3

SMOKING OR NONSMOKING?

Restaurant managers in the United States have, for the past several decades, been required to provide separate dining space for smokers and nonsmokers. Their employees often could smoke in designated smoking areas or in specially designated employee break rooms.

Effective June 1, 2006, smokers across much of eastern Canada (including those working in the hospitality industry) are only permitted to smoke outside. Prior to that time, smoking was already banned from most workplaces across Canada, but the ban in Ontario and Quebec extended the ban to public places in general, including bars, restaurants, and schools. The ban also required employers to close designated employee smoking areas.

Canada is considered a global leader in its efforts to reduce smoking. It was the first country to require graphic warnings on cigarette packages. Nine of the country's 13 provinces and territories have now passed smoking bans prohibiting cigarettes in the workplace and public buildings, bars, and restaurants. The law is wide-reaching but still falls short of the efforts of Ireland, Norway, New Zealand, Bhutan, Uruguay, Scotland, Bermuda, and Puerto Rico, (as well as New York City) all of which have total smoking bans in restaurants and bars.

The diverse opinions about smoking held by those in the hospitality industry mirror those of society in general. Beginning with Westin Hotels and followed by Marriott, Comfort, Hyatt, and others, complete hotel-wide smoking bans are increasingly becoming standard practice in the United States. It is clear that managers who operate properties in different parts of the world (and even in different communities within the United States) will encounter variations in employment-related laws. The smoking versus nonsmoking issue is just one example.

experienced by expatriate managers. It is important to remember, however, that those expatriate managers who most succeed do so by demonstrating a genuine knowledge, respect, and understanding for the legal culture of their host country.

It is important for those working in HR to understand that U.S.-based employers who employ U.S. citizens in locations outside of the country are still subject to the majority of employment laws designed to protect those workers. The antidiscrimination (and many other) laws of the United States will not, however, apply to noncitizens of the United States who work in facilities operated outside of the United States.

Conversely, multinational companies based outside of the United States with properties inside the United States are subject to the same U.S. employment laws as

are U.S. employers. As a result, in many cases, a significant HR role to be played by U.S. managers is that of teaching internationally trained expatriate managers working *in* the United States about the important components of U.S. employment law.

The Special Role of the Hospitality Unit Manager

5. Recognize and appreciate the unique HR-related responsibilities of the hospitality unit manager.

Unit manager: The individual with the final on-site decision-making authority at an individual hospitality operation.

Regardless of whether a hospitality manager's assignment is within his or her own country or outside its borders, **unit managers** are perhaps the single most important factor affecting an operation's short- and long-term profitability and success. These managers are generally the on-site leaders of their operating units and are held directly responsible for the actions of the employees and supervisors who report to them. In fact, the unit manager's job in the hospitality industry is so important that the primary focus of this text is the HR-related information that must be known and applied by the individuals holding these key positions.

Hospitality management has always been a challenging profession. Whether in a casino, a school lunch program, a five-star hotel, a sports stadium concession program, or a myriad of other environments, hospitality managers are required to have a breadth of skill not found in many other areas of management. Hospitality managers are in charge of securing raw materials, producing a product or service, and selling it—all under the same roof. This makes them very different from their manufacturing counterparts (who are in charge of product production only) and their retail counterparts (who sell, but do not manufacture, the product). Perhaps most important, hospitality managers have direct contact with guests, the ultimate end user of the products and services supplied by these managers' operational teams.

The hospitality industry is also unique because the first industry job for many managers was often an entry-level, hourly paid position rather than a salaried management assignment. For example, in the table service restaurant segment, nine out of ten salaried managers started as hourly employees. Hospitality unit managers are also a diverse group. According to the U.S. Department of Labor, "eating-and-drinking" places employ more minority managers than any other industry. Three out of five first-line supervisors of food preparation and service workers are women, 16 percent are of Hispanic origin, and 14 percent are African American. In 2003, more than one-quarter (26 percent) of foodservice managers were foreign born. As you can see, a very diverse group of unit managers are responsible for the key aspects of ensuring that operations adhere to a company's policies and the employment laws that pertain to them.

In this chapter, you have learned how evolving employment legislation reflects an American society that has changed the way in which employers manage employees. The often mentioned "social contract" between employer and employee is—most hospitality industry professionals would agree—exactly that: a contract.

Like all contracts, it spells out the obligations undertaken by all contractual parties. Hospitality personnel at the unit management level represent their company in this contract, and they must understand it. Because contracts are legal documents, violations typically result in repercussions for one side or the other. In the business world, this can mean loss of job for an offending employee. For employers, violations can create adverse publicity, the loss of significant time and money to address legal issues, or, in egregious cases, the closure of their businesses. A major goal of this text is to provide unit managers with up-to-date information they need to responsibly fulfill their HR-related obligations to their employers, employees, society, and, most important, to themselves.

Historically, most students of hospitality management have been taught how to supervise employees. The rationale was that, by better understanding and motivating staff members, a better workforce would emerge. The reasoning is that good managers become recognized as such by first being good supervisors. It is true that some concepts, including communications, motivational theory, and team building, that have traditionally been addressed using this supervisory approach to human resources management have value. However, those unit managers and others who do not understand the legal requirements and responsibilities that underpin these concepts are at a huge disadvantage to their peers who recognize these and related legal issues. For example, managers may know exactly what they want to do to build an effective workforce, but they may lack an understanding about what they are legally allowed to do, required to do, or even prohibited from doing! The result can be that, time after time, well-intentioned unit managers may unwittingly create difficulties for their organizations and themselves because they do not understand the ever-changing terms of the employment contract.

Written company policies can be fairly easily relayed to unit managers, but it is simply not possible for you as a unit manager to know every governmental regulation that could affect your segment of the hospitality industry, and some laws change regularly. Changes in major federal laws are typically well publicized, but you cannot be sure that the policies of all federal agencies, state regulators, and local governments will be readily known. As a result, hospitality industry journals and publications (many of them delivered online) can be of real assistance in helping you follow legislation at the national level. Reading about the hospitality industry will not only make you a better unit manager, but will let you keep up with changing regulations as well. For those managers employed by a national chain or management company, the company can be an excellent source of information on changing regulations. One valuable service provided by franchisors to franchisees is regular updates on regulatory agencies and their work.

As a hospitality manager, it is important for you to stay involved in the hospitality trade association that most closely represents your industry segment. The National Restaurant Association (NRA), the American Hotel and Lodging Motel Association (AH&LA), the American Dietetics Association (ADA), and others like them regularly provide their membership with legislative updates. Many of these organizations have state, regional, or local chapters that can be invaluable sources of information. On a local level, chambers of commerce, business trade associations,

and personal relationships with local police, fire, and building officials can help a unit manager keep up-to-date with changes in municipal regulations.

As a professional hospitality manager, it is also critical that you take an active role in *shaping* the regulations that affect your industry. As you have learned in this chapter, societies will, through their governments, pass regulations that they believe are in the best interests of the communities they represent. Problems can arise, however, when those who do not understand the hospitality industry propose legislation that will result in costs or infringement upon individual rights that far exceed the societal value of implementing the proposed regulation. In these cases, all hospitality professionals must make their own views known.

Human Resources MANAGEMENT ISSUES (2.3)

"So that's it," said Tom Bollenbeck, the regional manager for Boston Blackie's, a chain of barbecue houses popular in the Southeastern United States. Tom had just explained to Travis Ware that the Boston Blackie's restaurant Travis had managed for the three years since it opened would be closed in eight weeks.

"You have done a great job here, Travis," said Tom. "And, like I said, when we finish construction of the new store in Crossville, you will have the manager's position there. Bigger store, more money! But I need you to keep this store operating well until the end of the month when our lease runs out."

Travis was troubled when he left the meeting with Tom. His employees, he knew, were one of the major reasons his boss was so pleased with his work. They were a great team, but the new store in Crossville was 100 miles away—much too far for them to commute. Travis also knew that if he told his current employees about the impending closure of their restaurant, the best of them would immediately start looking for other jobs, and they would easily get them. That would mean real difficulties during the final weeks his store was to operate.

QUESTIONS

1. Assume Travis's restaurant is too small to be covered by the Worker Adjustment and Retraining Notification Act (WARN). Does he have a legal obligation to inform his employees of the impending restaurant closing?
2. Consider the following statement: "An action can be legal, but still not be ethical." Do you agree? Why or why not?
3. Assume that you were Travis, and you knew that your restaurant was large enough to be covered by WARN. Assume also, however, that your boss specifically instructed you not to announce the closing to your employees. What would you do?

Human Resources Terms

The following terms were defined in this chapter:

Employment law
Unemployment compensation
Workers' compensation
Garnish (ment)
Labor union
Interstate commerce
Title VII
EEOC
Sexual harassment
Bona fide occupational qualification (BFOQ)
Disparate treatment
Disparate (adverse) impact
Franchisor
Reasonable accommodation
Expatriate manager
Unit managers

For Your Consideration

1. Some business persons believe that the government is too intrusive in the operation of business. Consider the employment-related laws presented in this chapter. Are there any that you believe should not have been passed? Is so, what legislation? Why? Is there any employment-related legislation you believe should be passed? If so, identify it and explain the reason for your support.
2. The Family Medical Leave Act was controversial at the time of its passage and remains so today. Do you consider the Act an undue burden on employers? Assume you are an executive in the governmental relations department of the National Restaurant Association (NRA). Do you think the NRA's membership would want you to actively lobby to expand or to contract its current provisions? What would you do in such a situation?
3. Assume you are responsible for the HR function at a 300-room franchised hotel that employs 90 staff members and that, in this situation, the WARN Act does not apply. Assume also that you were informed by the general manager and owners that the property would be closed in 90 days for conversion to a condo hotel (a process that would involve closing the property completely for one year). However, it was important to remain open and operating normally for that 90-day period. What would you advise the hotel's owners and the general manager to do regarding giving notification of the hotel's closing to the property's employees? Explain your plan in detail.
4. In many cases, Americans working internationally are viewed as not having respect for local laws and customs of their host countries, including those related to employer–employee relations. Assume you were an international manager and you encountered an employment practice that would be illegal and discriminatory in the United States but was commonly accepted where

you were working (e.g., the remnants of the now technically illegal caste system in India). Explain how you would respond to clear-cut instances of local but society-approved discrimination when operating your hospitality business in such a setting.

Case Study: Human Resources Management in Action

Donna Moreau was employed for nine years as a room attendant for the Windjammer Hotel. Her work and attendance during that period were considered excellent. The hotel was moderately busy during the week, and then typically filled with tourists on the weekends.

In accordance with a hotel policy requiring two weeks' notification, Donna submitted a "day off" request on May 1, for time off on Saturday, May 15, to attend the 1 P.M. high school graduation ceremony of her only daughter. The hotel was expected to be extremely short of staff on the weekend of May 15 due to some staff resignations and terminations, as well as a forecasted sell-out of guest rooms.

Donna's supervisor, Tara Roach, denied Donna's request for the day off, stating the housekeeping department needed her to work that entire weekend. Donna was visibly upset when the schedule was posted and she learned that her request had been denied. She confronted Tara and stated, "I *will* be attending my daughter's graduation. I've been a single parent to my daughter for 17 years, and there's no way I am going to miss that day!" Tara replied that she was very sorry, but all employee requests for that weekend off had been denied, and Donna was to report to work as scheduled.

On the Saturday of the graduation, Donna, in accordance with written hotel policy, called in "sick" four hours before her shift was to begin. The hotel was extremely busy and, due in part to Donna's absence, each room attendant who did show up at work was assigned a heavier than average workload, causing a great deal of departmental tension.

Tara, who was angry at what she saw as willful disregard for supervisory authority, and recalling the earlier conversation with Donna, recorded the employee's call-in as an "unacceptable excuse" and completed a form stating that Donna had, in fact, quit her job voluntarily by refusing to work her assigned shift. Tara referred to the portion of the employee manual that Donna signed when joining the hotel. The manual read, in part:

> "Employees shall be considered to have voluntarily quit or abandoned their employment upon any of the following occurrences;
>
> 1. Absence from work for one (1) or more consecutive days without excuse acceptable to the company
> 2. Habitual tardiness
> 3. Failure to report to work within 24 hours of a request to report

Donna returned to work the next day to find that she had been removed from the schedule. She was also informed that she was no longer an employee of the hotel. Donna filed for unemployment compensation. In her state, workers who voluntarily quit their jobs were not typically eligible for unemployment compensation. Those who are terminated do typically receive the benefit (which is ultimately paid for by the hotel).

Dimension: Societal Reaction

Review the actions described in the case:

1. What do you think those outside the hospitality industry would think about Tara's decision to terminate Donna?
2. Assume that accurate information regarding this situation were to become well-known in the local community surrounding this hotel. Would this information likely increase or decrease the interest of other professional housekeepers in working at the Windjammer in the future?
3. The concept of "unacceptable excuse" can be difficult to define. Despite that, define it in terms you believe Donna and other employees would use. Define the term in a manner that Tara and other supervisors would likely use.

Dimension: Company Procedure and Decision Making

Review the actions described in the case:

1. What do you think of the "time off" request system in use at the Windjammer?
2. If you were the hotel's general manager, would you support the actions of your housekeeping supervisor?
   a. If your answer is "yes," how would you respond to Donna if she maintains (accurately) that she has not called in "sick" in the past 15 months, and in fact has frequently been called in to work on her days off because other employees called in sick fairly often?
   b. If your answer is "no," how would you respond to Tara if she maintains (accurately) that allowing employees to set their own schedule in her department would lead to severe difficulties that would result in poorly cleaned guest rooms and, ultimately, unhappy guests who were very likely to complain to the general manager or even directly to the hotel's owners? In addition, Tara is adamant that if you do not support her decision making on this issue, her credibility as a departmental supervisor will be severely diminished.
3. Were Tara's actions in the best interests of the hotel? Explain your answer.

Dimension: The Unemployment Compensation Hearing

Assume you were called to an administrative court hearing to defend the Windjammer's contention that Donna was not fired, but rather that she quit

(and thus is not eligible for unemployment compensation). Review the actions described in the case:

1. If you were an Unemployment Compensation Administrative Hearing Judge in this case, would you initially be more likely to side with the employee or the hotel?
2. How would you likely answer the following specific questions asked by the Administrative Hearing Judge?
   a. Is there a distributed list of "unacceptable" reasons for calling in sick? Who decides what is "unacceptable"?
   b. Have, in the past six months, all employees who followed the hotel's policy of calling in sick four hours before their shift ultimately been documented as "resigned" from their job?
   c. Assuming the answer to the above question is "no," what was the hotel's basis for treating Donna differently from:
      - Males in the hotel
      - Those of a different ethnic background (the hearing officer explains that this is asked simply to ensure that the hotel is not guilty of a civil rights violation)
3. How important would it be to be very familiar with the state's unemployment compensation laws if you were:
   a. The person representing the hotel at the administrative hearing?
   b. The hotel's general manager?
   c. Tara?

Internet Activities

1. Staying abreast of legal trends in the hospitality industry is important. HospitalityLawyer.com is one resource that is readily available to you. Operated by Stephen Barth, a hospitality professor at the University of Houston's Conrad Hilton College of Hotel and Restaurant Management, it contains the most current legal information (including employment law) related to the hospitality industry. To review it, go to: *www.hospitalitylawyer.com*.
   a. Review the 12 subsections of hospitality law listed in the Legal, Safety and Security Solutions Center for the Hospitality Industry.
   b. Identify the date and location for this year's Hospitality Law Conference.
   c. Subscribe to the free newsletter.
   d. Bookmark the site if you feel it will be an asset in your future management efforts.
2. If you are responsible for the management of a hospitality operation in another country, you will likely have access to a variety of resources that will help you familiarize yourself with that country's specific labor-related laws. However, in some cases, you may be responsible for finding your own

learning aids. For this exercise, go to *www.amazon.com*, and type in the book title *International Labor & Employment Law: A Country by Country Look at Legal Issues in Human Resources in Major Markets Around the Globe* (ISBN 158762379X).

a. List at least 12 specific countries whose employment laws are reviewed in the text.
b. Identify the text's authors. Comment briefly on their credibility.
c. List at least three specific labor-related topics that are explored in the book.
d. Comment on the selling price of the text. Do you feel it is excessive? Explain your position.

3. In many cases, you simply will not know some of the applicable employment laws of a state until you are actually assigned to work there. Identify a state (or one of the states) in which you are most likely to work when you graduate. Then, proceed to "Google" or your favorite search engine and enter the name of that state and the words "unemployment claims." Select the agency that is responsible for processing unemployment claims and determine the following:
   a. The number of weeks for which employees in that state are typically eligible for unemployment compensation
   b. The maximum amount of weekly compensation allowable
   c. Specific reasons for which unemployment compensation will be denied

CHAPTER **THREE**

Human Resources Management: Policies and Procedures

CHAPTER OUTLINE

HR Policies and Procedures Activities
Policy and Procedure Development
Areas of Policy and Procedure Development
Steps in HR Policy and Procedure Development
Review for Legal Compliance
Applying Advanced Technology to HR Policies and Procedures
Information Dissemination
Information Storage
HR Policies and Procedures Documentation and Record Keeping
Human Resources Terms
For Your Consideration
Case Study: Human Resources Management in Action
Internet Activities

CHECKLIST OF CHAPTER LEARNING OBJECTIVES

As a result of satisfactory completion of this chapter, readers will be able to:

1. Recognize and describe the difference between the HR policies and HR procedures utilized by employers.
2. Identify the steps managers use to develop HR management policies and procedures.
3. Understand the importance of seeking legal counsel and/or review prior to implementing HR policies and procedures.
4. Recognize and appreciate the role advanced technology is currently playing, and will continue to play, in the process of HR-related policy and procedure development.
5. Recognize the most significant reasons why HR managers must develop, implement, and maintain effective HR recordkeeping systems.

Impact on Human Resources Management

Just as culinarians in the hospitality industry know that standardized recipes will help them turn out a quality menu item every time the recipe is followed, those managers working in the HR field recognize that consistency in their own policy-related actions is critical to the smooth operation of their units.

Employees and managers alike want to know that all of the policies and procedures applied to them at work will also be applied, in the same manner, to each of their coworkers. If they do not believe this is true, charges of bias, favoritism, cronyism, sexism, and even racism can result. Therefore, experienced HR managers know they must (1) carefully design and implement any operating policies they wish to utilize, and (2) reliably document their fair and consistent application of those policies.

HR Policy and Procedures Activities

1. **Recognize and describe the difference between the HR policies and HR procedures utilized by employers.**

POLICY AND PROCEDURE DEVELOPMENT

As you have learned, the responsibilities for HR management issues may lie with unit-level managers (in smaller properties) or full-time specialists (in larger hospitality organizations). Assume you have taken a position in which you are ultimately responsible for the HR management issues related to the operation of a newly constructed 45,000-square-foot water park with an attached 400-room hotel and supporting foodservice operations. The facility will ultimately employ more than 300 full- and part-time staff members. Assume also that the facility has yet to open. In such a situation, you will soon be required to make decisions about many employee-related issues and policies. The policies you design must address many topics. Just a few examples include:

1. Employee selection criteria
2. The accumulation and use of employees' vacation time
3. Dress and uniform codes
4. Attendance and tardiness
5. Performance evaluation
6. Termination

The actual procedures you will use to operate your own department must also be developed. These procedures would likely address a variety of issues related to the policies you developed, such as:

1. Who is responsible for selecting employees?
2. How is employee vacation time accrued and recorded?
3. What are the penalties for dress code violations?
4. Who will record employee absences and tardiness?
5. How frequently will employee performance reviews be undertaken? Who will do them?
6. What written documentation will be required in cases of employee termination?

HR policy(ies): A course of action selected from alternatives and designed to guide future decision making.

HR procedures: The methods or steps used to effectively develop and apply HR policies.

Note that there is an important relationship between what your business will do (its **HR policies**) and exactly how you will do it (its **HR procedures**).

Consider the HR policy and procedure examples presented in the water park example. Figure 3.1 shows some ways in which these example policies and procedures are related to each other. For purposes of this chapter, the term "policy" will be used to refer to *what* a business operation has determined it should do, while the term "procedure" will refer to *how* it will do it. These procedures may spell out rewards for policy compliance, penalties for noncompliance, and steps required for policy implementation. In most cases, a single policy will require multiple supporting procedures. Some examples of the specific procedures required to support operation policies are illustrated in Figure 3.1.

In some cases, the line between what businesses do and how they do it can be a fine one. However, it is important to remember that, to be effective, HR policies must be supported by procedures that, when followed, ensure the fair and consistent application of the policy.

Policies: What We Will Do	Procedures: How We Will Do It
1. Select employees	1. Use standardized application forms.
2. Grant employees paid vacation	2. Record accrued vacation time biweekly.
3. Implement employee dress codes	3. Impose consistent penalties for noncompliance.
4. Monitor attendance and tardiness	4. Record employee arrival and departure times daily.
5. Conduct performance evaluations	5. Schedule annual employee reviews and designate the reviewers.
6. Terminate employees	6. Develop standards for documenting (in writing) employee terminations.

FIGURE 3.1: HR Policy and Procedure Relationship

Human Resources Management: CURRENT EVENTS 3.1

ENGLISH-ONLY OR SOLO INGLES?

Can a U.S. employer mandate that English is the only language that may be spoken in the workplace? The EEOC recently (2006) announced that it settled a lawsuit against a New York City hotel. The hotel was accused of discriminating against 13 Hispanic employees and ultimately forcing them to resign for speaking Spanish in the workplace. The settlement was $800,000. In addition, the hotel agreed that:

- It is prohibited from maintaining an English-only rule for its employees.
- It will train its managers and employees in equal employment law.
- It will regularly report to the EEOC about any new discrimination complaints it receives.
- It will require its senior vice president to undergo three hours of one-on-one training, which must be reviewed and approved by the EEOC. At a minimum, the training will address the topics of discrimination, retaliation, harassment, diversity, and sensitivity.

Discrimination on the basis of "national origin" is clearly prohibited by Title VII of the Civil Rights Act of 1964 (see Chapter 2). Those employers considering the adoption of an "English-only" at-work policy must be ready to face healthy skepticism on the part of the EEOC. In most cases, a rule requiring employees to speak only English at all times in the workplace will be presumed to violate Title VII and will be closely scrutinized by the EEOC.

An employer may have a rule requiring that employees speak only English at certain times where the employer can show that the rule is justified by business necessity. For example, a server taking an order from diners who speak only English can be required to speak English. If the employer believes the English-only rule is critical for business purposes, employees should be told, in advance (and in writing!), when they are required to speak only English and the consequences of violating the rule. If the company does not do so, its English-only policy will likely be deemed discriminatory if it is challenged.

A better HR policy for hospitality managers may well be the subsidized support of on-site English as a Second Language (ESL) courses for those employees who need and want to improve their English skills. An ESL policy, demonstrating real support for staff needs, sends the right signal to workers, guests, and the community. Not only is it the smart thing to do, it's the right thing to do.

IT'S THE LAW!

In Chapter 2, you learned about employment laws that affect some of the policies that businesses are, and are not, allowed to implement. Can a business organization that has developed and implemented a perfectly legal employment policy still be sued because of the policy, and ultimately lose the case? Absolutely. It happens all the time when the procedures the managers used to support the policy were flawed, deficient, or both.

A policy or action that is perfectly legal must still be applied in a legally coherent (fair) manner, or the courts will simply not support its use. For example, can a hotel, restaurant, casino, or other hospitality operation lay off or terminate employees because of declining sales? In most situations, clearly it can. However, consider the recent real case of an organization that elected to lay off six employees, of whom five were African-American women and one was a Caucasian man.

The women were called into the manager's office and informed they were being laid off effective immediately. They were told to collect their belongings and leave within 30 minutes. In full view of their coworkers, managers monitored them as they cleaned out their lockers. The monitoring was such that coworkers thought they were being observed to prevent stealing. They did not have an opportunity to say goodbye to their coworkers, some of whom cried because they would miss them and felt badly for them.

This was in stark contrast to the treatment the white male received upon his termination. He was given a month's advance notice of his layoff. He was allowed to come to the operation at his convenience to receive his termination notice. He was not monitored as he cleaned out his work area, and he was permitted to walk around the building freely to say goodbye to his coworkers. In this case, the Court of Appeals held that the *manner* in which the layoff was conducted was discriminatory, and the women won their case. They should have.

Despite some popular misconceptions, employers in the United States still enjoy a tremendous amount of freedom (more than in many other economically advanced countries) regarding how they operate their businesses. Can employees be laid off or terminated when business warrants it? Yes, they can. Can an employer (as in this case) do it so poorly that the courts will refuse to support it and, in fact, punish the employer? Yes. Terminations and layoffs are emotional situations in the best of times. Managers must conduct them professionally and with respect. The number-one rule to prevent claims of discrimination related to terminations and layoffs is simple: "be fair and be consistent"! That rule is a good one to apply to all of your HR policies and procedures.

AREAS OF POLICY AND PROCEDURE DEVELOPMENT

Not all of a hospitality operation's policies and procedures relate to HR. To continue our example of the HR manager of a water park resort, many issues would not be under your control. How frequently the pools' filters are cleaned, the proper number of cloth napkins to regularly be held in the food and beverage inventory, and the establishment of the ideal selling price of guest rooms on a given weekend are not decisions made by the HR manager. HR policy and procedure development will, however, have a direct effect on all areas of the resort, as they will on all areas of any other hospitality operation. As experienced managers know, it is not possible to identify all of the subjects within every hospitality operation that require written policies and procedures. Clearly, the policy and procedures needs of a large, multinational hospitality organization will be very different from the needs of a small, independently owned sandwich shop.

Despite differences in size and need, all hospitality organizations undertake HR-related activities that can be readily identified. There are a variety of ways to classify these activities and the policy and procedure making related to them. Figure 3.2 lists one way to categorize the areas of policy and procedure responsibility

Assigned Area/Activity	Requires Policies and Procedures Related To
Staffing the Organization	Operational planning and needs analysis Recruiting Interviewing Selecting
Developing Staff	Employee orientation Training Employee development and career planning Managing and implementing organizational change
Motivating Staff	Job design Employee evaluation Compensation Employee benefits Employee recognition
Maintaining Staff	Employee health Employee safety Employee-related organizational communications

FIGURE 3.2: HR Policy and Procedure Development Areas and Activities

commonly assigned to the HR function. It categorizes the areas of HR policy and procedure development as related to:

- Staffing the organization
- Developing staff
- Motivating staff
- Maintaining staff

As you read about the following tasks normally assigned to those responsible for HR management, consider the policies and procedures development and implementation efforts needed to address these tasks.

Staffing the Organization

The recruitment and selection of employees is probably the area that most hospitality managers think of first when they consider the work of the HR department or the HR manager. Prior to recruiting and selecting employees, however, the HR manager must carefully assess the operation's needs. If, for example, the executive chef of a large convention hotel informs the HR department that an additional chef is needed, the specific skills of that needed individual must be identified. Clearly, if the skills of a **garde-manger** are sought by the executive chef, the recruitment and selection of a **patissier** or **saucier**, regardless of their ability and skill level, will be inappropriate.

Garde-manger: Pantry chef. Responsible for cold food production, including salads, salad dressings, cold appetizers, charcuterie items, terrines, and similar dishes.

Patissier: Pastry chef. Responsible for all baked items, including breads, pastries, and desserts.

Saucier: Sauté station chef. Responsible for all sautéed items, including most sauces.

In nonhotel operations, but in much the same manner as the previous example, before employees can be recruited, their skill requirements must be established. As a result, even at the smallest of local restaurants, the manager of the operation must still identify the specific skills, knowledge, and abilities of the employees needed by the restaurant. Additionally, it is important to recall that the specific requirements of current labor law mandate that managers thoroughly understand the specific skills required for the jobs they advertise. Identifying and documenting those specific skill sets effectively helps limit the potential legal liability that could be incurred if particular groups of employees are ultimately excluded from the search process. Excluding potential employees on the basis of identified and legitimately required job skills is legal, whereas excluding potential candidates for non-job-related reasons is typically illegal.

After the most critical characteristics related to a job's successful candidates have been carefully identified (see Chapter 6, "Position Analysis" discussion), the two most important staffing-related tasks facing the HR manager are:

- Ensuring an adequate pool of qualified applicants to maximize the operation's chances to hire an outstanding candidate
- Providing enough job information to discourage unqualified job applicants to help prevent the organization from wasting time and resources in the interviewing process

The policies and procedures related to employee recruitment and selection are among some of the most important to any organization. In Chapter 4, you will learn how hospitality managers develop policies that help ensure fair hiring practices.

After an adequate number of qualified candidates has been identified, it is the HR manager's job to refer those candidates to the individual who will make the hiring decision (typically in large organizations) or to make the actual selection (in most small organizations). In both situations, candidate testing and/or other assessment steps may precede the actual job offer.

Identifying qualified candidates and *offering* positions to them is only a part of the professional HR manager's job because, in a tight labor market, qualified and talented applicants are very likely to be sought by a variety of organizations. Therefore, the HR manager must also encourage the desired candidate to ultimately *accept* the position. To do this, the HR manager will typically provide the candidate with a good deal of job-related and organization-related information. Topics such as organizational culture, growth plans, and performance expectations are all notable areas that could influence an individual's acceptance decision, and these should be fully discussed with the candidate. Information related to these subjects should be accurate and help the candidate make an appropriate career decision that is best for the candidate and the hospitality organization.

Developing Staff

After new employees are selected, orienting these new employees to the organization becomes an important HR function. Even experienced employees who need little or virtually no skill training will still need to learn much about their new employer. Information about items such as organizational rules, regulations, and goals of the organization, department, and work unit will need to be communicated. Procedurally, questions of who will do the orientation, when it will occur, and what specific topics will be addressed are all HR policy and/or procedure issues.

In some cases, employees may be qualified for the job they have secured but will require facility-specific skill training. For example, even housekeepers with many years of experience cleaning rooms will likely still need to be shown "how we do it here" when they begin work with a new employer. Minor variations in housekeeping procedures, such as the preferred manner of folding terrycloth items (for guest room towels, hand towels, washcloths, and the like) must be taught. In a similar manner, even experienced service staff, if newly hired, will likely need to be instructed on a restaurant's specific table setting, order taking, guest check recording, order pickup, food delivery, and check presentation procedures.

As an employee's career within an organization progresses, that employee may need to acquire new skills. In many cases, changes in the employee's work unit or in the goals and needs of the organization may dictate that additional training is needed. It is also important to remember that many employees hope to advance

within their employing organization. The HR manager should provide those employees, to the greatest degree possible, with opportunities to do so. This may take the form of providing employees with advanced skills training related to their present jobs, training in jobs they may hold in the future, or cross-training employees in new skills to prepare them for different jobs.

The best of HR managers, whether serving the dual role of unit manager or heading a large HR department, know that planning for the future staffing needs of their organization is an ongoing process. The competitive nature of the hospitality industry requires that most organizations have the ability to rapidly add products (such as new menu items) or services (such as those related to providing guests wireless Internet access in hotel rooms) that directly impact that organization's employees. Newly added menu items will likely require additional food production skills training. Adding the feature of wireless Internet access to a hotel's guest rooms will likely require that one or more hotel employees receive additional training in computer-related technology. Regardless of the individual within the organization who will actually do the training, it remains the HR manager's role to ensure that the training is provided and to develop the legally defensible policies and procedures required to do so.

Motivating Staff

The task of motivating employees to do their best is one of the most studied, talked about, and debated of all HR-related topics. The question of how to motivate employees to do their best (or even if it is possible for management to do so) will continue to be discussed. However, one helpful way to consider the role of HR managers in policy and procedure development related to employee motivation is to consider two factors that are commonly agreed to affect worker motivation. These are an employee's:

- Ability to do a job
- Willingness to do a job

The ability of an employee to effectively do the job is affected by the employee's skill level, the availability of effective training, and the worker's access to the tools or information needed to properly complete assigned tasks.

The willingness of employees to work efficiently has long been the subject of study by motivational theorists. Figure 3.3 briefly summarizes five of the most popular and widely discussed theories of employee motivation. Interested managers will be able to readily find additional information about each of these views of employee motivation via a basic Internet search (*google.com*). Regardless of the motivational philosophy adopted by a manager or a hospitality organization, adequate policies and procedures related to its implementation will be crucial to motivating employees.

Motivational Theorist	Motivational Theory	Theory Synopsis
1. Abraham Maslow	Needs Hierarchy	Assumes needs are arranged in a hierarchy and that some needs are more powerful than others. Workers seek to satisfy their needs in the following order: 1. Physiological (first) 2. Safety 3. Love/Belonging 4. Esteem 5. Actualization (last) The first four layers of Maslow's "pyramid" are called "deficiency needs" or "D-needs," because the individual does not feel anything if they are met, but feels anxious if they are not met.
2. Douglas McGregor	Theory X and Theory Y	States that managers tend to hold and act on one of two basic views (theories) about workers. Theory X assumptions are that: 1. The average person dislikes work and will avoid it if he or she can. 2. Most people must be forced with the threat of punishment to work toward an organization's objectives. 3. The average person prefers to be directed, to avoid responsibility, is relatively unambitious, and wants security above all else. Theory Y assumptions are that: 1. Effort in work is as natural as work and play. 2. People will apply self-control and self-direction in the pursuit of organizational objectives, without external control or the threat of punishment. 3. Commitment to objectives is a function of the rewards associated with their achievement.

FIGURE 3.3: Motivational Theorists, Theories, and Theory Synopsis

3. Frederick Herzberg	Motivation/ Hygiene Theory	Identifies two separate groups of factors affecting motivation. "Hygiene factors" cause feelings of dissatisfaction among employees. They include working conditions, pay, and job security. These do not motivate, but their absence adversely affects job performance. "Motivation factors," including concerns such as achievement, learning, and advancement, play a major role in positively influencing performance. Workforce motivation is not possible if hygiene factors are deficient.
4. David McClelland	Three-Need (achievement, affiliation, and power) Theory	States that workers have needs for achievement, affiliation, and power, each of which must be satisfied if they are to be motivated. The theory suggests that these three needs are found to varying degrees in all workers and managers. It also indicates that this mix of motivational needs characterizes an individual's management style in terms of being motivated, as well as in the management and motivation of others.
5. Victor Vroom	Expectancy Theory	Proposes that a worker's motivation is primarily influenced by the "expectation" that additional effort will lead to additional organizational rewards. If this expectation is not met, influencing an employee's motivation in a positive way will not be possible.

FIGURE 3.3: (*Continued*)

Maintaining Staff

Employee Assistance Program: The term used to describe a variety of employer-initiated efforts to assist employees in the areas of family concerns, legal issues, financial matters, and health maintenance.

Even the best of work teams require regular maintenance and care. Policies and procedures related to the maintenance of employees include those that help encourage quality workers to stay with the organization. Major areas of concern include worker health and safety, as well as the development and implementation of **Employee Assistance Programs (EAPs)**.

Additional areas of staff maintenance concern relate to communication efforts designed to keep employees informed about the work-related issues that are important to them. Other policies may identify opportunities for employees to

Human Resources MANAGEMENT ISSUES (3.1)

"But, Larry, I just can't work on Sunday," said Shingi, a room attendant at the 800-room Courtplace Hotel.

Larry, the executive housekeeper, had just told Shingi that a storm in the area had delayed flights out of the regional airport and that a group that had been scheduled to leave the hotel on Sunday morning was now staying until Monday morning. The result was an additional 110 stayover rooms to clean Sunday, and Larry was hurriedly attempting to add eight housekeepers to the employee schedule.

"Why can't you work on Sunday?" Larry asked. Then, before Shingi could answer, he added, "You know when we hired you, we told you that our business can be unpredictable, and that all employees' work schedules are subject to change."

"I know," replied Shingi, "and I'd work if I could, Larry, because I really need this job. However, after you posted the schedule last week and I saw I was off Sunday, I told my boss it was okay to schedule me at my other job. They always work around my schedule here, but I know I'll get fired if I don't go in, and I need that job too. I'm sorry, I just can't work Sunday."

1. Many employees in the hospitality industry hold more than one job. What are some reasons why they do so?
2. How can Larry determine if the situation in his hotel warrants a "second job" (or moonlighting) policy?
3. As an HR specialist, what specific issues would you advise Larry to consider as he developed and implemented his policy?

have their voices heard by management. Staff meetings, bulletin boards, newsletters, and suggestion boxes are common examples of devices employers routinely use to encourage information exchange.

Now that you are familiar with many common areas in which HR managers develop polices and procedures, it is important for you to also know the process these managers use to properly develop and implement them.

Steps in HR Policy and Procedures Development

2. Identify the steps managers use to develop HR management policies and procedures.

It is generally a poor practice to make HR-related decisions based on momentary operational needs. Consider the case of the dining room manager who, because he

was rushed and harried during a busy dinner period, "fires" an employee (busser) who (the manager feels) violated the dress code because the busser's shirt was untucked while clearing tables. In this case, the busser's shirt was indeed untucked. Therefore, it might seem the dining room manager's actions were reasonable. Experienced managers advising this dining room manager would likely, however, first ask a few relevant questions, such as:

1. Was the employee ever informed of the restaurant's "no untucked shirts" policy? Is that requirement specifically listed within the restaurant's dress code?
2. Is there *written* evidence that the employee received and understood (in his own native language) this specific policy?
3. How long has the employee been with the organization?
4. Is this the employee's first dress code policy violation?
5. Was the employee given a reasonable chance to explain the circumstances leading to his violation of the policy?
6. Have, in the past, all employees found to be in similar violation of this same policy been fired immediately? If not, what was the rationale for the firing of this specific employee?
7. Under the laws of the state in which the restaurant is located, will the employee likely qualify to receive unemployment compensation in this case?
8. Are the restaurant's employees unionized? If so, is the termination allowed under the terms of the union contract? Is the restaurant part of a chain? If so, was the termination consistent with the action that has, in the past, been taken by other dining room managers working within the chain?

When managers carefully develop and implement HR-related policies, the risk of expensive and time-consuming HR-related litigation is greatly reduced. *Courtesy PhotoDisc/Getty Images*

9. Has, in the past, this manager ever been accused, successfully or unsuccessfully, of discrimination in the hiring or firing of the restaurant's employees?
10. Given the circumstances of this incident, what message did the dining room manager seek to send to the restaurant's remaining employees? Does the manager feel that the message sent will help or harm the restaurant's long-term HR efforts?

Step	Rationale
1. Identify the HR issue to be addressed.	Policies and procedures typically are developed to address an important issue, establish a standard, or solve an identifiable problem.
2. Consider on-site factors affecting implementation.	Internal factors directly affecting the development of the policy or procedures are considered next. Examples include items such as the existence of a union contract, the objectives management seeks to achieve, and the time frame required for implementation.
3. Consider off-site factors affecting implementation.	Off-site factors that may need to be considered in the policy and procedure development process include overriding chain or franchise policies, local labor-related legislation, and competitor policies.
4. Draft policy and procedures and submit for (legal) review.	After a policy and the procedures required to implement it have been drafted, it is always a good idea to have the draft examined by a qualified legal expert. This step is important in helping to reduce potential litigation directly related to the policy.
5. Develop related documentation and recordkeeping requirements.	After a legal review has been undertaken and completed, managers will develop the recordkeeping procedures needed to ensure the consistent application of the policy, as well as the ability to prove it has indeed been applied consistently.
6. Communicate finalized policy and procedures to affected parties.	HR policies and procedures that have not been adequately communicated to those affected are difficult or may even be impossible to enforce. The final step in policy development and implementation is the policy's clear and timely communication to all affected parties, as well as the documentation of that communication.

FIGURE 3.4: Six-Step Policy and Procedure Development Process

As you can readily see from these questions, management is, in most cases, generally given broad powers to hire and terminate employees. However, today's legal environment, as well as the basic concept of fairness and quality employee relations, mandate that operators should carefully follow policies that they have thoughtfully developed when managing HR issues.

To help minimize the negative consequences that can be associated with improperly developing or applying HR policies, experienced managers should establish a basic policy and procedure development process. While this process will vary based on the size and type of hospitality operation involved, most will follow a series of important steps designed to ensure that only an appropriate development approach is utilized. These steps are shown in Figure 3.4.

In some cases, HR managers can save time by purchasing prewritten policies and procedures that can be utilized as is or modified to apply to their own operations (as well as disseminated to affected employees). To see an example of one such product, go to *www.policytech.com*.

Review for Legal Compliance

3. Understand the importance of seeking legal counsel and/or review prior to implementing HR policies and procedures.

Earlier in this chapter, you learned that a legal review was an important step in the policy and procedure development process. The reason why this step is critical for managers is readily apparent when you consider that it makes no sense to develop procedures to support an illegal policy. While experienced HR managers understand that the manner in which a policy is implemented can be flawed, a policy that is already flawed or illegal from the outset simply should not be implemented. In most cases, a legal review of a policy proposed by experienced managers will not indicate that the proposed policy is illegal. Rather, the legal review will more likely indicate potentially troublesome procedural areas to which HR managers should pay close attention.

To see how a legal policy, improperly applied, could create difficulties, and as a result, to illustrate the importance of a thorough legal review, consider the case of Latisha. She is a foodservice director for a local hospital. Latisha's operation prepares and serves more than 500 meals per day. Despite some managers' thoughts to the contrary, Latisha knows that the law allows her much discretion in setting appearance standards for her staff, and she wishes to do so by creating and implementing a department-wide dress code.

In nearly all cases, hospitality managers such as Latisha can (and often do) legally impose rules and guidelines that have a basis in social norms, such as those prohibiting visible tattoos, body piercings, or earrings for men. While tattoos and

piercings may be examples of employee self-expression, they generally are not recognized as signs of religious or racial expression (and thus are not typically protected under federal discrimination laws). For example, in *Cloutier v. Costco Wholesale Corp.*, 390 F.3d 126 (1st Cir. 2004), the First Circuit Court considered whether an employer was required to exempt a cashier from its dress code policy prohibiting facial jewelry (except earrings) and allow her to wear facial piercings as a reasonable religious accommodation. The employee claimed that her religious practice as a member of the Church of Body Modification required she wear the piercings uncovered at all times.

This court accepted that the cashier was protected by Title VII of the Civil Rights Act, without specifically discussing the sincerity of her beliefs, and only ruled on whether her requested exemption from the dress code would impose an undue hardship on the employer. The court found that exempting the employee from the policy would in fact create an undue hardship for the employer because it would "adversely affect the employer's public image," and the employer had a legitimate business interest in cultivating a professional image. The employee's case was dismissed. Certainly, hospitality employers such as Latisha have the same legitimate business interest.

In most cases, a carefully drafted dress code that is applied consistently should not violate discrimination laws. Despite the wide latitude given to hospitality and tourism employers, it is possible that all or part of an implemented dress code can be found to be discriminatory. It is not uncommon for hospitality employees to challenge even well-designed dress codes on the basis of purported discrimination related to their sex, race, or religion.

Sex discrimination claims typically are not successful unless the dress policy has no basis in social customs, differentiates markedly between men and women, or imposes a burden on women that is not imposed on men. Thus, for example, a policy that requires female managers to wear uniforms while male managers are allowed to wear "professional attire," such as their choice of suit and tie, is likely discriminatory. However, dress requirements that reflect current social norms generally are upheld, even when they affect only one sex. For example, in a decision by the Eleventh Circuit Court of Appeals in *Harper v. Blockbuster Entertainment Corp.*, 139 F.3d 1385 (11th Cir. 1998), the court upheld an employer's policy that required only male employees to cut their long hair.

In most cases, race discrimination claims would be difficult for an employee to prove because the employee must show that the employer's dress code has a disparate (and unfair) impact on a protected class of employees. One limited area where race claims have had some success is in challenges to "no beard" policies. A few courts have determined that a policy that requires all male employees to be clean-shaven may discriminate if it does not accommodate individuals with pseudofolliculitis barbae (PFB), a skin condition aggravated by shaving that occurs almost exclusively among African-American males.

Employees have had the most success challenging dress codes on the basis that they violate religious discrimination laws. These charges occur most frequently when an employer is unwilling to allow an employee's religious dress or appearance. For example, a policy may be discriminatory if it does not accommodate an employee's religious need to cover his head or wear a beard. However, if an employer can show that the accommodation would be an undue hardship, such as if the employee's dress or grooming created a safety concern, it would not likely be required to vary to its policy. Interestingly, dress code claims also may be filed under the National Labor Relations Act (NLRA). For example, to comply with the NLRA, employers, even in nonunion workplaces, generally may not ban the wearing of union insignia.

As you have now learned, even in an area such as dress codes—where employers such as Latisha have wide latitude to manage their businesses as they see fit—the potential for legal difficulties can still exist. Virtually any of the areas in which policies and procedures are developed may be the source of litigation, but managers must be most careful in the areas related to the control of employee dress, expression of opinion, and behavior away from the worksite. As a result, experienced HR managers know that, in nearly all cases, a periodic legal review of an organization's overall policy and procedures manual, as well as a specific review each time it is significantly modified or revised, is a wise use of organizational resources.

A careful review for legal compliance is a critical step in the HR policy development process. *Courtesy Purestock*

Human Resources Management: CURRENT EVENTS 3.2

THE EMERGING BLOGOSPHERE

Web logs, or "blogs," have become extremely popular in recent years, especially in the case of younger workers. In fact, blogging is so popular that it is estimated more than 1 million new blog postings are added to the Internet every day. Most of these are of a personal nature, but some, inevitably, have to do with the blogger's work. Just as inevitably, in some cases, the comments workers make about their workplace or their managers are, to put it gently, less than complimentary. It would be tempting for managers who become aware of derogatory blogs to seek to punish those workers who wrote them (especially if the posted statements are unfair or one-sided), but these managers need to tread very carefully.

As a result of "lawful conduct" statutes employees generally have rights to engage in lawful activities during nonwork hours. Blogging certainly is not illegal. Also, the NLRA grants employees rights that include those related to criticism of their companies and their managers. Furthermore, the NLRA generally protects from retaliation measures those workers who (even publicly) are critical of management.

It is just as important to note, however, that not all work-related speech is protected by the NLRA or laws related to free speech. Reckless or malicious lies, disclosure of confidential company information, and threatening and harassing statements are not typically protected forms of free speech.

Savvy HR managers will carefully watch the emerging blogosphere. If they elect to develop policies regulating blogging, they will also understand that they must carefully navigate the sometimes very fine line between their companies' rights and the rights of their employees.

Applying Advanced Technology to HR Policies and Procedures

4. Recognize and appreciate the role advanced technology is currently playing, and will continue to play, in the process of HR-related policy and procedure development.

Some managers in the hospitality industry view the application of technology to operational issues as a problem, rather than an opportunity. It is true that the technological systems used in restaurants, bars, clubs, hotels, and other hospitality operations are far more advanced and complicated today than those available only a short time ago, and these systems continue to advance rapidly. Rather than viewing technology applications as conveying impersonal, cost-savings-only attributes,

HR managers will find that advances in technology have made it easier than ever to do their jobs.

In most cases, two extremely important functions of HR and, as a result, two areas where HR-related technology can be effectively utilized include information dissemination and information storage.

INFORMATION DISSEMINATION

Consider the challenges and opportunities facing the management team of a ski resort that elects to implement a new HR policy about the specific procedures to request time off under the Family Medical Leave Act (FMLA, see Chapter 2). For the managers involved in this policy and procedure development process, one major hurdle they must overcome relates to informing the proper individuals about the new policy and any new procedures associated with it. In the recent past, the managers would have had limited options for disseminating the new information and, just as important, their options for documenting that dissemination would have been limited as well. As a result, changes in policies and procedures were typically accompanied by a **hard copy** document detailing the new policy and procedures. This hard copy would typically be distributed, signed by employees, and then a copy of the document with the confirming signature would be placed in the employee's **personal file**. In other cases, the information might be added to an existing **employee handbook** (or **employee manual**), which, after management had updated all of the affected sections, would be redistributed to employees.

Hard copy: The common term for a document that has been printed on paper.

Personal file: A record of information about a single employee's employment. Typically, this file includes information about the employee's personal status, application, performance evaluations, and disciplinary warnings. Also known as a *personnel file*.

Employee handbook: A permanent reference guide for employers and employees that contains information about a company, its goals, and its current employment policies and procedures. Also often referred to as the *employee manual*.

Employee manual: Same as *employee handbook*.

It is important for managers to understand that the courts will generally allow employers wide latitude to enforce a variety of job-related policies and procedures. In most cases, however, those employers must first conclusively show that their employees were, in fact, informed about the policies and procedures. Therefore, documenting an employee's actual receipt of important policy and procedure information is imperative.

In many hospitality operations, the initial dissemination of and documentation that essential employment policies and procedures were received occurs when employees are hired and given an updated copy of the employee handbook. Documentation most often involves placing, in the employee's personal file, a signed document (or photocopy) with the employee's signature stating he or she did receive a copy of the manual. Figure 3.5 is an example of a document that can be utilized to verify employee receipt of an operation's employee handbook and its important policies and procedures.

Increasingly, because of advances in communications technology, the options available for information dissemination are much greater. HR managers can select from a wide variety of communication devices and approaches both for the initial dissemination of important policies and procedures information and for their later modification, additions, and deletions. Returning to the example of the ski resort managers seeking to implement new procedures for requesting time off

Acknowledgment of Receipt of Employee Handbook

The Employee Handbook contains important information about (*insert company name* _____). I understand that I should ask my supervisor, manager, or the HR administrator about any questions I have that have not been answered in the handbook. I have entered into my employment relationship with the company voluntarily, and understand that there is no specified length of my employment. Either the Company or I can terminate the relationship at will, at any time, with or without cause, and with or without advance notice.

Because the information, policies, procedures, and benefits described in this manual are subject to change at any time, I acknowledge that revisions to the handbook may occur. All such changes will be communicated through an official notice, and I understand that revised information may add to, modify, or eliminate the company's existing policies.

Also, I understand that this handbook is neither a contract of employment nor a legally binding agreement. I have been given the time needed to read the handbook, and I agree to accept the terms in it. I also understand that it is my responsibility to comply with the policies contained in this handbook and any revisions made to it.

I understand that I am expected to read the entire handbook. After I have done so, I will sign two original copies of this Acknowledgment of Receipt, retain one copy for myself, and return one copy to the company's representative listed below. I understand that this form will be retained in my personal file.

_____ _____
Signature of Employee Date

_____
Employee's Name (Printed)

_____ _____
Company Representative Date

FIGURE 3.5: Sample Employee Handbook Signature Page

under the FMLA, Figure 3.6 summarizes some of the more popular information-related options available to these managers.

It is important to recognize that many employees in the hospitality industry have neither the language skills nor the computer skills and access required to take advantage of some of the communication options available today. Enlightened managers know that, ultimately, it is their responsibility, not that of their employees, to ensure and document that required policy and procedure information has been provided to those who need it.

Information storage: The processes, equipment, and documents that make up a company's records retention effort.

INFORMATION STORAGE

In addition to expanding the number of information dissemination options available to managers, advances in technology have increased the number of available **information storage** options.

Communication Device	Dissemination Characteristics	Documentation Characteristics
E-mail with attachment	Fast, inexpensive	Recipients can be asked to confirm e-mail receipt prior to opening
Web site posting	Permanent accessibility, but Web site modifications may be costly	Employees may be asked to sign in via an individually issued code prior to gaining access to protected Web site areas
CD	Less expensive, in many cases, than producing traditional hard-copy employee manuals	Employees may be asked to verify, via their signature (on paper copy or electronically), receipt of the CD
Toll-free number: telephone voice recording	Employees may access information via a numerically initiated options menu. Recordings may be made available in multiple languages.	Employees may be asked to verify, via their signature, receipt of the toll-free number allowing their access to the policy and procedure information
Electronic news posting/blog	Inexpensive and instantaneous updates	Employees may be asked to verify, via their signature, receipt of the address of the site/blog

FIGURE 3.6: Manager's Policy and Procedure Initial Dissemination and Documentation Options

In the fairly recent past, most HR-related records in the hospitality and tourism industry simply consisted of hard-copy (paper) files stored in the appropriate employee personal file, or in a file developed specifically for recordkeeping purposes. Thus, for example, information related to employees' requests for time off or paid vacation might be kept in the individual employee's file, or in files designed to track and record these types of employee requests. Obviously, in very large hospitality operations, with hundreds of employees, such a paper-based system could easily become unwieldy and cumbersome. Increasingly, even smaller restaurants, hotels, clubs, and other operations find that management of today's HR-related records and information requires the application of advanced technology hardware and software, partly because of the increases in recordkeeping requirements, as well as the challenges of maintaining accessibility (and security) of HR-related information.

Many HR managers actually find that information storage is one of their greatest challenges. To understand why this is so, consider the following areas for which data storage is of significant concern:

Employment applications

Résumés

Human Resources MANAGEMENT ISSUES (3.2)

"But that's nearly impossible!" said Trisha Sangus, general manager of the Plaza Intercontinental Hotel, the 750-room convention hotel located in the heart of downtown and adjacent to the city's convention center. "How can we do that?"

"I don't know, but that's what the e-mail from corporate says," replied Pam Cummings, director of human resources.

"So let me see if I get this straight," said Trisha. "We have to certify, in writing, that each of our employees has received, and understands, the information in our corporate employee handbook."

"That's right," said Pamela. "I've had my staff do some checking. With our current 430 employees, we would need a total of about 16 translations. You know, Russian, Portuguese, Korean, Polish, Croatian, and others. Plus Spanish, but corporate already has that translation, so I guess we really only need 15 more."

QUESTIONS

1. Do you believe it is the right of all employees to receive a copy of their work-related policies and procedures rules written in their native language?
2. What, if any, accommodation do you believe should be made for those employees who are not capable of reading any language?
3. What specific advice might you give Trisha and Pamela as they seek to comply with this directive from their corporate HR office?

Performance evaluations
Disciplinary records
Medical files
Insurance-related records and correspondence
Training records and documentation
Certificates, transcripts, diplomas
Military records
Governmental entity inquiry records
Lawsuit-related information
Other employee or employment-related correspondence

Hospitality managers who are responsible for designing effective recordkeeping systems also face a conflicting challenge. Stored records must be easily available for viewing, but they also must be kept secure and inaccessible to viewers who would compromise the confidentiality of the records. Fortunately, although the recordkeeping

Server: A central computer system that stores documents and information for input and retrieval.

CD: A **c**ompact **d**isc is a device capable of storing digital information. CD-ROM (read-only memory) means that once the data has been recorded onto the CD, it can only be read or played, but not revised.

DVD: Short for **d**igital **v**ersatile **d**isc or **d**igital **v**ideo **d**isc, the DVD is a type of optical disk technology similar to the CD-ROM. DVD-ROMs are commonly used as a medium for digital representation of movies and other multimedia presentations that combine sound with graphics. DVD-RAM (random access memory) discs can be recorded and erased repeatedly, but are only compatible with devices manufactured by the companies that support the DVD-RAM format.

requirements facing HR managers are greater than ever, the tools available to HR managers also provide greater options.

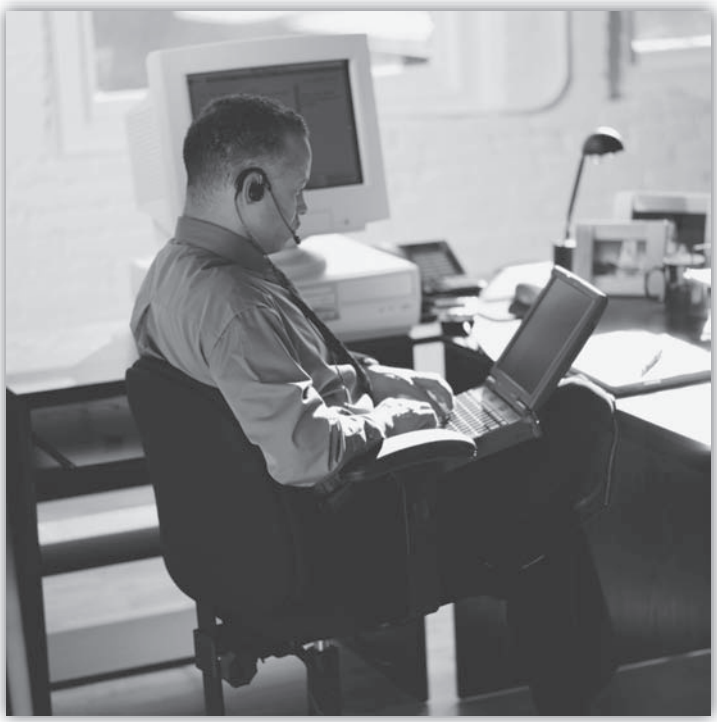
In addition to paper documents, HR managers can choose from a variety of advanced technology recordkeeping and retrieval systems. These systems often include components such as:

Security features. In many cases, HR managers develop information storage systems that allow for multiple levels of security to protect sensitive documents and files from unauthorized viewers. Each user has a security access level, and each document has a sensitivity level. Depending on the access level granted to the users, they will see only the lists of documents that are appropriate for their security access level.

Records-specific servers. A **server** can be readily designed to provide access to important HR-related data. Servers are often dedicated: they perform no other tasks besides their server tasks.

Document archival features. These components allow information or documents to be downloaded to a file server, tape, **CD**-ROM, **DVD**-ROM, or DVD-RAM.

High-speed image printing. This component of a recordkeeping and retrieval system is utilized to create hard copy of electronically stored information.



Continued advances in technology help HR professionals in the hospitality industry address their communication and documentation needs. *Courtesy PhotoDisc, Inc.*

Regardless of the sophistication level of the information storage and retrieval system they develop, HR managers must comply with the documentation and recordkeeping requirements imposed on them by their own companies as well as by governmental entities that mandate and monitor their compliance.

HR Policies and Procedures Documentation and Record Keeping

5. Recognize the most significant reasons why HR managers must develop, implement, and maintain effective HR recordkeeping systems.

Regardless of the level of technology they apply to the process, all HR managers must follow specific laws and regulations that address employment-related documentation and recordkeeping issues. In addition, businesses often develop some of their own in-house procedures for policy and procedures documentation and record keeping. As a result, HR managers must make decisions regarding their own record retention policies and procedures. For example, most HR managers agree that it is a good idea to keep a copy of all applications and résumés received when they advertise to fill an employment vacancy. The reasons for retaining these documents are many, but include the ability to monitor the quality of the available workforce, to help ensure that advertisements by the organization appeal to the broadest labor pool possible, and to help judge the workforce demand for the employer's position. Consider, however, the HR manager who must answer the following very specific question:

Are all individuals who submit résumés via the Internet considered applicants for recordkeeping and reporting purposes? If so, how shall these records be stored, and for how long? What if the candidates are clearly unqualified for the position?

Questions such as this may be difficult to address, but HR managers must still do so thoughtfully. Other examples of records-related questions that require policy and procedures decisions include those such as:

- How do regulations related to ADA, COBRA, FMLA, FLSA, and OSHA affect the length of time records should be kept? (*Note*: Specific record-related requirements of these agencies are addressed, where applicable, in the pertinent area of this text.)
- Should employees have access to their discipline records? Can they make copies? How long should a terminated employee's files be kept?
- Which personnel management-related documents should require actual (not electronic) signatures?

Regardless of how questions such as these are answered, HR managers must make significant decisions regarding the employment records that must be retained and the length of time to retain them. In some cases, employment-related legislation will dictate the full or partial answers to questions of this type.

Figure 3.7 lists selected recordkeeping requirements enforced by the U.S. government. Other requirements may be imposed at the state or local level.

HIRING AND EMPLOYMENT ACTIONS

Employee Record	FLSA, EPA	FMLA	ADEA	IRCA	Title VII, ADA	OSHA	Tax Laws
Employee name, address, Social Security number, gender, date of birth	3 years from last entry	3 years from last entry	3 years from last entry	3 years from hire or 1 year after termination	1 year after record created or personnel action taken	1 year after termination	4 years after tax due or paid
Position, job category	2 years after created		3 years from last entry				4 years after tax due or paid
Applications, résumés, recruitment notices, job orders, employment tests			1 year after related personnel action		1 year after record created or personnel action taken		
Date of hire					1 year after record created		
I-9 form				Later of 3 years after hire or 1 year after termination			
Work permits/age certificates for minors	While employed						
Dates and reasons for promotion, demotion, transfer, layoff, rehire, and termination			1 year after related personnel action		1 year after personnel action		

FIGURE 3.7: Selected Federal-Level Hiring and Employment Action: Recordkeeping Requirements

HIRING AND EMPLOYMENT ACTIONS

Employee Record	FLSA, EPA	FMLA	ADEA	IRCA	Title VII, ADA	OSHA	Tax Laws
Performance evaluations	2 years after created				1 year after record created or personnel action taken		
Training opportunities, agreements	Duration of training		1 year after related personnel action		1 year after personnel action		1 year after termination

Key Terms

FLSA, EPA	Fair Labor Standards Act, Equal Pay Act
FMLA	Family & Medical Leave Act
ADEA	Age Discrimination in Employment Act
IRCA	Immigration Reform & Control Act
Title IIV, ADA	Civil Rights Act, Americans with Disabilities Act
OSHA	Occupational Safety & Health Act

FIGURE 3.7: (*Continued*)

To further illustrate the practical importance of proper documentation and record keeping, consider the case of Tonya Walker, the director of food services at a large corporate dining facility. The facility is operated under contract by a nationally recognized foodservice management company that has employed Tonya for the past 15 years. Her operation serves more than 1,000 persons per day. Approximately 200 of her diners are salaried managers who eat in the executive dining room, while 800 are hourly workers who eat in a separate, larger dining area.

Tonya is an excellent manager, so she was surprised when Becka Larsen, the company's vice president of human resources, arrived at her operation to announce that the company had received a letter from the EEOC stating that an ex-employee had charged Tonya's operation with discrimination and **constructive discharge**.

Constructive discharge: An employee-initiated termination of employment brought about by conditions that make the employee's work situation so intolerable that a reasonable person would feel compelled to quit. Also known as constructive *wrongful* discharge.

RFI: An official EEOC Request for Information. An EEOC requirement that the accused party submit all requested copies of personnel policies, the accuser's personnel files, the personnel files of other individuals, and any other information deemed relevant by the EEOC.

Essentially, explained Becka, the EEOC's letter was sent to officially notify Tonya's company of the charges initiated by the former employee. The letter also included an **RFI**, which was the reason for Becka coming to see Tonya.

When questioned, Tonya explained to Becka that the employee making the charges was a dining room attendant who had, in fact, complained once about the sexually oriented nature of comments made by a fellow worker. That same employee had also complained once about some comments made by one of the diners in the executive dining room.

Tonya also explained that she, as the facility manager, had personally addressed both situations and, to further assist the employee, she had reassigned her from the executive dining room to the regular employees' dining area. Tonya finished by stating that, two or three weeks after the second complaint was addressed, the employee resigned because she had accepted a higher-paying job across town. Although this occurred more than five months ago, as Tonya now recalled the situation, no mention was made of any unhappiness at the time the employee resigned.

Cases such as this one are most often very complex. However, it should be apparent from the few details presented that, if Tonya's employer is to successfully defend itself and, if Tonya is to continue to be perceived as an effective manager, Tonya's HR policies, procedures, and documentation systems should conclusively show that:

1. An effective sexual harassment policy was clearly stated in the employee manual that Tonya issued to each employee when hired.
2. The employee making the charges in this case was given a copy of the manual as well as the opportunity to have it explained by management if any part of it were unclear.
3. The existence or absence of other, similar charges filed by Tonya's current or former employees have been documented.
4. Tonya responded to this ex-employee's complaints in a timely manner.
5. Tonya (or members of her management team) properly followed the specific investigation procedures proscribed in the sexual harassment complaint portion of the employee manual.

6. The measures Tonya took in response to the allegations were not only proper, but they were also fully documented, with precise detail about items including time, date, actions taken, and persons involved.
7. Relevant information related to those individuals accused of harassment by the ex-employee was recorded and is now available for review.
8. Management's resolutions of the complaints were fully explained, in a timely manner, to the ex-employee.
9. No changes in the former employee's employment status, work assignment, or employment conditions occurred that could be used to support or justify the constructive discharge allegation.
10. Tonya clearly followed her own company's internally mandated policies and procedures, as well as all applicable federal and state laws, when responding to the former employee's harassment charges.

The absence of records such as those indicated in the list will not definitively mean that Tonya's employer cannot successfully defend itself against the ex-employee's charges. However, the ability of Tonya's employer to successfully mount a valid defense to the ex-employee's charges will be greatly reduced, as will be Tonya's ability to support her own managerial action (or inaction) if any of these records are unavailable.

While this is just one example of the importance of proper record keeping, it is critical to understand that a great number of similar examples could be shown. Experienced HR managers agree that determining exactly which

The employee-related record-keeping requirements imposed by local governmental entities vary based on a business's size and location. *Courtesy PhotoDisc, Inc.*

Human Resources MANAGEMENT ISSUES (3.3)

"How many years back?", asked Josephine Cochsky, the manager of the Delta River Dinner Cruise Boat.

"Three years," answered Penny Cuthbert, Josephine's HR manager.

"Let me see if I understand," said Josephine. "We have to produce the actual time cards, for Anthony Graves, for the last three years. He hasn't even worked here for six months. Who's the letter from?"

"The State Board of Disability Appeals," said Penny, as she read the certified letter that had just been delivered. "I guess what happened," continued Penny, "is that Anthony got really hurt on his new job after he left here, and he is now applying for disability. The state wants us to confirm his wages during the two-year period he worked for us."

"Can't we just send them copies of his W-2 statements?" asked Josephine.

"I guess not," replied Penny. "According to the Board, state law requires we keep actual copies of our time cards or time sheets showing the specific days and hours worked for each of our employees for a period of five years. It's for tax purposes, but the Disability Board uses the same income database. I didn't know we were supposed to keep old time cards. We don't have them. I only keep them for a year. I think this could really be a problem!"

QUESTIONS

1. Do you feel it was Josephine's responsibility, or Penny's, to know the employee recordkeeping requirements that apply within their state?
2. If you operated the State Board of Disability, what penalties might you suggest for hospitality operators and others who maintain they do not know which employment-related laws apply to them and, therefore, do not comply with all laws that are applicable?
3. How can advances in technology help Josephine and Penny avoid the potential damage and fallout that could result from additional mistakes made in their operation's record keeping?

employment-related records to keep, and for how long, is one of their most essential tasks. Most hospitality managers would also agree that it is critical for large, multiunit operators to have well-documented employee-related policies and procedures in place, despite the enormity of the task. Even for very small hospitality operators, while the effort required to address the task may be lessened, in today's litigious society, its successful completion is no less critical.

Human Resources Terms

The following terms were defined in this chapter:

HR policy(ies)
HR procedures
Garde-manger
Patissier
Saucier
Employee Assistance Program (EAP)
Hard copy
Personal file
Employee handbook
Employee manual
Information storage
Server
CD
DVD
Constructive discharge

For Your Consideration

1. The debate about which theory of motivation is true has been a long-standing one. Review the various theories in Figure 3.3 of this chapter. Which theory most closely represents your own view of motivation? How do you think you came to hold your current view? Identify one event that helped shape the way you feel about this topic.
2. Employee Assistance Programs (EAPs) are increasing in popularity. Go to *www.compsych.com*. Select two programs that you, as a manager, believe employees would find to be important. Do you think these would be the same two EAPs that their employers would consider most important? Explain your answer.
3. Many managers are surprised to hear that they can be held personally responsible for damages resulting from HR-related events that happen in their workplace. What specific steps would you recommend individual hospitality managers take to minimize this liability?
4. HR recordkeeping activities must be well-planned, detailed, and undertaken consistently. What are some specific personality characteristics of individuals who would excel at these tasks? Do you think most hospitality managers have (or could acquire) these traits?

Case Study: Human Resources Management in Action

"This is a pain," said Sara. "And it doesn't make any sense."

"What doesn't make sense?" replied Dave Berger, the owner of the Golden Rose, the restaurant where Sara had begun working full time, splitting her duties between that of part-time accounting clerk and part-time HR assistant.

In her accounting role, Sara's job was to prepare the checks needed to pay the restaurant's bills, verify credit card receipts, and make cash deposits. In her role as HR assistant, her job was to total employee time cards and prepare the biweekly payroll, as well as to keep track of each employee's use of sick time, holiday, and vacation pay. Even though she was new, Sara was very good, very bright, and cared deeply about the restaurant and its employees. Because of that, Dave increasingly had come to value the talent she brought to her position, as well as the insightful opinions she was certainly not afraid to share.

"Full-time employees accrue two weeks of vacation per year, and part-time employees accrue about one week. Is that right?" asked Sara.

"That's right," said Dave. "I have always thought that part-timers who work regularly and who stay with the company should earn some vacation time also. It's in the manual."

"Right," said Sara. "It's right here. It says:

> "A regular employee who works one-half time or more but less than full-time shall accrue vacation/annual leave prorated on the basis of their actual number of hours worked. An employee who is employed less than ten hours per week shall not be eligible to accrue vacation/annual leave."

"So, if I work 20 hours per week, I earn one week a year. And I use it or lose it. That is, employees are not allowed to carry vacation forward to the next year. Right?" asked Sara.

"That's right," said Dave. "I decided that would be our policy when I started the restaurant, because the idea is that an employee's vacation should be a time to relax and refresh. So it just makes sense to me that if we are going to give employees vacation time, they should take it every year."

"So, does the part-time person earn one week of 40 hours pay, or one week of 20 hours pay?" asked Sara.

"Well, they should be getting one of their regular weeks in my opinion. That is, if they only work 20 hours per week, they should only get paid for a 20-hour vacation week. If they average 30 hours, they should get a 30-hour paid vacation."

"That would make sense,", replied Sara, "but your old accounting clerk wasn't doing that. She was recording 3.07 hours for each full-timer per pay period worked and 1.54 hours for each part-time employee."

"3.07 hours and 1.54 hours? Why?" asked Dave.

"Well," replied Sara, "with 26 pay periods per year, and 10 days, or 80 hours vacation accrual, it works out to 3.07 hours per pay period. One week a year is half that—1.535 technically. But rounding to 1.54 is darn close."

"Sounds like she took a shortcut and treated all of the part-timers the same," replied Dave. "We should be able to fix that."

"You could, but that's the problem," said Sara. "You have 52 full-time employees and 38 part-timers. Not all part-timers work every week, and not all of them work 20 hours. You want them to accrue time based on the hours actually worked, but your current record keeping doesn't match the policy. Your current system treats all part-timers as if they worked the same amount of time. To calculate each employee's actual time each week would be insane. Even worse, if they work less than ten hours one week, but 20 the next, you have a whole different problem. That's probably why the old accounting clerk did it this way."

"Well," replied Dave, "let's just change the way we record it. Make it more accurate."

"Dave," said Sara, "it already will take me nearly two hours every pay period just to update the vacation records on our 90 employees. That's 52 hours, or more than a week per year, just to have me track employee vacation time the way you do it now. Tracking it even more accurately would likely double the time, not to mention the time it already takes to record the employee's sick days earned and used, and their paid holidays. There's got to be a more efficient way to do this!"

Dimension: Workforce Enhancement

Consider the vacation policy Dave has implemented at the Golden Rose.

1. How do you think the restaurant's policy affects each of the following HR functional areas:
   a. Staffing the operation
   b. Developing staff
   c. Motivating staff
   d. Maintaining staff
2. Why do you think paid vacations are so frequently used by many businesses in an effort to motivate employees?
3. The hospitality industry employs a large number of part-time workers. Most do not accrue paid vacation time. Why do you think the industry has been so reluctant to grant paid vacations to this large segment of its workforce?

Dimension: Record Keeping and Documentation

Consider the recordkeeping system put in place by the former HR assistant.

1. Would you change the recordkeeping system that has been used?
2. What alternatives could Sara suggest to Dave that would help the restaurant save time and money in maintaining these records?
3. What role could advanced technology play in helping solve this problem? (*Hint*: Google "Vacation records software: employees" and report your findings.)

Dimension: Policy Development

Assume you were considering the development of vacation policies and procedures for an operation of your own.

1. Draft a two-paragraph statement explaining your policy for use in your employee handbook.
2. Draft a two-paragraph statement that would also be used in the handbook explaining the policy and procedure employees would utilize when requesting the use of their paid vacation time.
3. Draft a procedures summary that details how your operation will document granting employee vacation time requests in a manner designed to minimize any charges of bias or unfairness by your employees.

Internet Activities

1. One of the most difficult areas of employee policies and procedure management relates to the amount of time you must spend creating and maintaining employee records. Fortunately, there are resources to assist you in determining which records you must keep and for how long. One such resource is G-Neil. You can visit their Web site at *www.gneil.com*.
   Click on "Employee Records." Then consider the following:
   a. What available materials and products do you think would be applicable to the hospitality industry?
   b. What types of hospitality operations could use the materials available?
   c. How could a hospitality manager evaluate the cost effectiveness of materials such as these?
2. Some nonprofit and for-profit entities advertise that they can readily provide managers with off-the-shelf policies and procedure checklists, which will save time and money for the organizations using them. One such entity is the Alexander Hamilton Institute. According to its Web site (posted July 1, 2006), "the Alexander Hamilton Institute has been helping executives manage their companies and their careers since 1909. We currently publish newsletters, booklets, and loose-leaf manuals targeted to top management, Human Resource directors, personnel managers, front-line managers, and supervisors at small-to-medium sized firms."
   Go to their Web site at: *www.ahipubs.com*. Consider the following:
   a. What is your assessment of the quality of their HR-related resources?
   b. What concerns might you have about the use of their products or any externally generated products?
   c. This chapter presented an argument for employing a legal review of all significant HR policies and procedures. If you purchased a preprepared policy or procedure product from AHI, or another entity like it, would you still seek a legal review of the product prior to using it? Why? or Why not?

3. In the past, some managers felt their employees were not sophisticated enough, nor had the financial resources, to really challenge policies those employees felt were discriminatory or unfair. It is not true today. Web sites such as Workplace Fairness provide significant assistance to any employee with access to the Internet. Workplace Fairness is a nonprofit organization helping to preserve and promote employee rights. According to its posted information, Workplace Fairness "provides information about job rights and employment issues around the country and in all 50 states. It is for workers, employers, advocates and anyone else who wants to better understand, protect, and strengthen workers' rights." To visit the site, go to *www.workplacefairness.org*.
   a. Note that the National Employment Lawyers Association (NELA) sponsors the site. Why do you believe they would do so?
   b. What specific resources are available on this site? List at least three such resources.
   c. What are some specific work-related issues you feel would compel an employee to seek out the type of information found on a site such as this one? How can hospitality managers best address these issues?

PART **TWO**

Securing Human Resources

CHAPTER **FOUR**

Employee Recruitment and Selection

CHAPTER OUTLINE

Factors Affecting Recruiting Efforts
The Search for Qualified Employees
Internal Search
External Search
Outsourced Search
Factors Affecting Selection Efforts
Application
Interviews
Testing
Background Checks
References
Negligent Hiring
Job Offers
Human Resources Terms
For Your Consideration
Case Study: Human Resources Management in Action
Internet Activities

CHECKLIST OF CHAPTER LEARNING OBJECTIVES

As a result of satisfactory completion of this chapter, readers will be able to:

1. Identify the factors that HR managers must consider prior to planning and initiating their organization's employee recruitment efforts.
2. Differentiate between the actions HR managers take when electing to conduct internal, external, or outsourced searches for qualified employees.
3. List and explain the importance of applications, interviews, testing, background checks, and references—the five major activities that HR managers undertake when screening employees for possible selection.
4. Understand and explain the potential legal liability related to negligent hiring.
5. Describe the legal differences between a conditional job offer and a final job offer.

Impact on Human Resources Management

Exceptional hospitality management company leaders are often quoted as saying that "our people are our greatest asset." These managers are not simply paying lip service to the importance of employees. They know it is true. There are few trade secrets or barriers to entry in the hospitality industry that would stop new businesses from successfully forming and competing for customers. As a result, nothing can prevent highly innovative and service-oriented individuals from creating new businesses and achieving tremendous success. In the hospitality industry, people are critically important. In fact, one characteristic that has historically distinguished the hospitality industry from others is the ability of a single, innovative entrepreneur to make a remarkable impact. Examples such as Ray Kroc (McDonald's), Kemmons Wilson (Holiday Inns), Horst Schulze (Ritz Carlton), and Richard Melman (Lettuce Entertain You) are merely a few powerful reminders that a single individual (and often one whose entry-level job in the industry was modest indeed!) can have an incredible impact on the industry.

Most successful hospitality industry leaders will also state that they have little personal interest in making their companies the biggest or even the most profitable. They know that if they focus on providing outstanding guest service, growth and profits are the inevitable result. With great success, and more customers, however, comes the need to identify, train, and retain even more talented people. These people must be kept happy, focused on excellence, and committed to the organization's goals. That is why employee recruitment and selection efforts are so critical to the long-term success of every hospitality business and to all of the hospitality managers who direct their operation's recruitment and selection process.

Factors Affecting Recruiting Efforts

1. **Identify the factors that HR managers must consider prior to planning and initiating their organization's employee recruitment efforts.**

In the hospitality industry, successful managers focus on two very different, but related tasks. These are:

1. Securing and keeping an adequate customer base
2. Securing and keeping an adequate number of qualified employees to serve the customer base

If either of these two tasks is not successfully completed, a hospitality business will suffer either from a shortage of customers or the skilled employees needed to serve them.

Product and concept development, facility design and construction, product planning, marketing, and advertising are some of the activities directed at securing and keeping a customer base large enough to maintain a business. Employee **recruiting** and **selection** are the first two essential steps taken by businesses to identify and choose the right employees, with the right qualifications, to serve their customers.

Recruiting: The process of identifying candidates for current or future position vacancies.

Selection: The process of choosing an individual for a current or future position vacancy.

In most traditional HR textbooks, a discussion of employee recruitment and selection is introduced only after a detailed presentation of the job analysis process. Job analysis is simply the manner in which managers carefully study the specific tasks that need to be done in their operations, as well as the skills workers must have to complete those tasks.

Human Resources Management: CURRENT EVENTS 4.1

THE CHANGING NATURE OF JOBS

Before employers can effectively choose their employees, they must identify the knowledge, skills, and abilities that those applying for their vacancies should possess. This is completed via a thorough analysis of what their workers do and how they do it. They must then find employees capable of being taught, "How we do it here." Thus, the examination and analysis of jobs is both a recruitment and training issue.

In Chapter 6, you will learn how hospitality managers conduct detailed position analyses and task breakdowns to identify precisely the skills their workers currently need and then create effective training programs to teach these skills. This is consistent with the approach of "Find the *right* people, and then teach them the *right* skills." In some cases, however, the skills identified for a position may be critical to the recruitment of future employees. When this is the case, information about these special skill requirements should be included in the position's recruitment material.

For many hospitality managers, and especially for those hiring entry-level employees, personal characteristics such as friendliness, punctuality, attitude, and personal grooming and others may be much more important than a candidate's background or prior experience. Any manager seeking to find pretrained employees simply by listing detailed skill requirements in their position advertisements are likely to be sorely disappointed, because in most hospitality operations, the manner in which work is completed varies greatly. In addition, how things are done today is likely very different from how they will be done tomorrow. As a result, a careful reading of current position vacancy announcements shows a trend to emphasize (properly) personal characteristics, ability to change, and willingness to work to a much greater degree than specific previous work experience or current skill levels gleaned from detailed job analyses.

This traditional view makes the reasonable assumption that managers must know the specific work-related tasks that job applicants will need to do before they can effectively seek them out. The authors of this text do not discount the importance of managers fully understanding the details of the jobs that must be done in their operations. In fact, an extremely thorough discussion of this topic is presented in Chapter 6. The reality for most hospitality unit managers is that even the experienced workers they hire will, in nearly all cases, require detailed training in how their specific tasks are to be completed. As a result, the ability to perform required job skills at the time of employment is sometimes less important than are a variety of other, more important factors.

IT'S THE LAW!

In the United States, the Department of Justice is headed by the U.S. Attorney General. Although the position of Attorney General has existed since the founding of the Republic, a separate Department of Justice was not created until 1870, bringing together under the authority of the Attorney General the activities of United States Attorneys, United States Marshals, and others. The Justice Department investigates and prosecutes federal crimes, represents the United States in court, manages the federal prisons, and enforces the nation's immigration laws.

Most hospitality managers interact with the Department of Justice in the area of immigration. The Immigration and Naturalization Service (INS) was created in 1891, and is headed by a commissioner who reports directly to the Attorney General. The INS requires that managers in all industries, including hospitality, must secure verifying worker identification documents from everyone they hire. This is mandated so that jobs will be given only to those people who are legally able to secure them. Under current law (that may change over time), employers are required to secure but not to independently verify the authenticity of identification documents supplied to them. The result, in some cases, is that those who do not have the legal status to work in the United States have been hired.

In many parts of the United States, immigrants make up a very large portion of the hospitality industry workforce. As a result, many leaders within the hospitality industry have taken very public stances in favor of easing immigration restrictions. Certainly this is their political right, and most would agree that any efforts to expand the pool of qualified applicants legally permitted to work in the hospitality industry are always a good idea.

It is also very important to recognize, however, that under current law, the fines for knowingly employing undocumented workers can be severe. This area of public debate is quite volatile. As a result, professional hospitality managers must carefully monitor changes in legislation related to the issues of immigration, worker documentation, and worker document verification in the years to come.

To illustrate this point, consider the case of an excellent server with 10 years' experience working in a family-style table-service restaurant. This worker would likely still need very operation-specific training if hired as a server by the manager of a fine-dining establishment. In a similar manner, young persons with no previous job experience, who are hired to be dishwashers, will need to learn a specific set of new job skills simply because they have no previous job experience. In these cases, as well as many others within the hospitality industry, the job skills workers need to do their jobs may not actually be present at the time of their hiring. That fact is merely one of many factors that make the hospitality industry unique. Despite this, effective unit managers can, when the proper workers are selected, readily provide the skills training needed to ensure that these new employees will meet job performance standards.

In most cases, hospitality managers will find that the hourly employees they hire must undergo specific skills training before they become fully productive workers. Servers, dishwashers, kitchen cleaners, counter workers, food preparation specialists, cashiers, housekeepers, and front desk staff are just a few of the many positions for which it is common (and because of worker shortages, even necessary) to hire workers who do not come to the operation with readily applicable job skills. What the best of new employees can bring to the operation is a sincere commitment to serve guests, a willingness to learn, and the work ethic needed to perform as a valued employee. When these characteristics are present in newly hired employees, the hospitality manager who selected them may have chosen an unskilled employee, but he or she will also have selected an employee who will be an excellent addition to the staff. For that reason, hospitality managers should understand and appreciate other, more important nonskill issues, when considering the factors that directly affect their employee recruitment efforts.

Those managers directly responsible for recruiting a qualified pool of candidates must be keenly aware of the varied constraints they face prior to developing their recruiting plans. In the hospitality industry, managers must recognize existing legal, economic, industry, organizational, and positions constraints, discussed as follows:

Legal constraints. As you learned in Chapter 2, local, state, and federal laws significantly affect a hospitality manager's efforts in recruiting employees. An employer can no longer seek out preferred individuals based on non-job-related factors such as age, gender, or physical attractiveness. Those that do so may be confronted with significant legal problems. For example, in the hospitality industry, it is simply inappropriate to view positions as being best suited for males or females. Historically, the hospitality and tourism industries have provided tremendous opportunities for employees of all backgrounds, and they will continue to do so, not only because it is the legal thing to do, but because it is the right thing to do.

Economic constraints. Economic constraints affect both the organization that is recruiting employees and the employees themselves. In many cases, the wages and salaries that can be paid to workers and managers are directly determined by the profitability of the operation for which they will work. If, for example, the operation must maintain a targeted, predetermined labor

budget, or achieve its labor cost percentage goal, it will likely be restricted in the amount of money it can offer new employees. All organizations face such economic restraints, and thus this challenge is simply one more that can be addressed and overcome by professional hospitality managers.

Just as employers face economic constraints, employees may be attracted to or deterred from applying for a position because of the money they can earn. It is clearly in the best interests of both the employer and employee for each to understand the realistic range of compensation available for vacant positions before these positions are advertised and applied for. It is also very important to understand that rate of pay is only one of several critical factors (see Chapter 8) that good employees consider before applying for and accepting a new job.

Industry constraints. Some individuals truly do not understand the hospitality industry well. As a result, they view it as one in which opportunities for personal advancement are few, and the remuneration offered for working is low. In fact, the hospitality industry offers significant personal and financial rewards for workers with a variety of backgrounds, from those with limited formal education to those with advanced professional degrees. It is unlikely that any single HR manager will change industry perceptions, but it is important to understand that recruitment efforts should, when necessary, directly address potential candidate biases.

One of the best ways to directly address the constraints on recruiting imposed by the hospitality and tourism industry is to focus on its varied and positive characteristics. These include:

- Stability of employment
- Variety of work
- Ability to utilize personal creativity
- Team environment
- Rewards of serving others
- Pleasant work atmosphere

Each job for which an HR manager advertises will have its own positive features. In addition, specific industry segments will have their own unique and positive attributes. Experienced managers directly address industry-related constraints when publicizing their jobs by clearly stating the attractive features of the jobs they are offering. The goal is not to promise falsely, but rather to better educate those who do not fully understand the advantages of a career in the hospitality and tourism industries.

Organizational constraints. Just as some applicants will have a general reaction to jobs advertised within the hospitality industry, others may react to the specific organization for which the job is advertised. For example, foodservice managers operating school foodservice units may find that their jobs are perceived very positively because of an assessment by applicants that these jobs will have traditional hours, may come with above-average benefits, and allow the worker

to be off-work in the summer. Alternatively, managers operating high-energy nightclubs in larger cities will likely find that their best potential applicants are drawn to the excitement of their operations, although most of their jobs will require them to work during nontraditional (extremely late-night) hours.

Just as HR managers must highlight the positive features of their industry, an individual organization must truthfully point out the specific employment advantages it offers. When an organization is perceived in its community as being a good place to work, the pool of qualified applicants who will want to work there increases. It is important that potential employees believe this perception to be true, and that current employees confirm it.

Position constraints. In the hospitality industry, some jobs are perceived as glamorous, while others are not. If the position a manager seeks to fill is unattractive to most workers, recruiting a large and qualified pool of applicants will likely be challenging. In recent years, more hospitality managers have been complaining about the difficulty of finding suitably qualified individuals for manual labor positions such as dishwashers, janitors, landscaping and grounds care, room attendants, and others. In job markets where the **unemployment rate** is low, and where a wide range of opportunity creates competition, a worker shortage may exist. In cases such as these, qualified applicants may be difficult to find, so managers must work diligently and creatively to locate potential applicants who can bring great value to their organizations.

Unemployment rate: A government statistic that measures the percentage of workers who are not employed, but who are seeking work.

The unemployment rate is defined as the number of persons in a community or other designated area expressed as a percentage of the defined area's entire labor force.

The Search for Qualified Employees

2. Differentiate between the actions HR managers take when electing to conduct internal, external, or outsourced searches for qualified employees.

Hospitality managers at all levels and in all sizes of organizations will continually find that they must actively recruit employees. From company presidents to the lowest-skilled **entry-level** employee, candidate recruitment will usually be an ongoing activity.

Entry-level: The position in which an individual starts his or her career with a hospitality organization. For example, the position of dishwasher might be an entry-level job in an upscale restaurant.

Although a variety of methods could be used to examine the employee search process, one way to categorize it is based on the approach utilized by the organization conducting the search. Using this method, an employee search may be categorized as being one of the following:

- Internal search
- External search
- Outsourced search

INTERNAL SEARCH

Internal search: A promotion-from-within approach that is utilized when seeking qualified job applicants.

Promote-from-within: An organizational philosophy that, whenever practical, an organization will fill its higher-level job vacancies with its current lower-level employees.

An **internal search** is undertaken when a manager or organization believes that the best candidates for upper-level positions will be found among those employees who are currently employed by the organization.

Applied properly, a **promote-from-within** approach can be very effective. If, for example, when seeking a rooms inspector, an executive housekeeper conducting the search felt that the best job candidates would be found among the hotel's current room attendants (or other current hotel employees), an internal search could prove to be very effective.

Current employees may be informed about pending job openings in conversations with their supervisors or through the public posting of the information on employee bulletin boards, Web sites, or newsletters. The advantages associated with utilizing internal searches when seeking to fill positions are many, and include the facts that internal searches:

- Build employee morale.
- Can be initiated very quickly.
- Improve the probability of making a good selection because much is already known about the individual who will be selected.
- Are less costly than initiating external or outsourced searches.
- Result in reduced training time and less training costs because the individual selected need not be trained in organizational topics with which he or she is already familiar.
- Encourage talented individuals to stay with the organization.
- Are looked upon favorably by the EEOC.

Despite the many advantages of internal searches, managers utilizing them to fill their position vacancies have also reported distinct disadvantages. These include:

- Inbreeding and a lack of new ideas can occur when an organization relies only on its own current workers to fill advanced positions.
- Resentment among employees can occur when one worker is chosen for advancement while others are not.
- Increased recruitment and training efforts result when a position is filled internally because the position vacated by the promoted employee must also be filled with a new staff member (who must also be trained).

Employee referral: A recommendation about a potential applicant that is provided by a current employee.

Despite the added training effort required, most experienced hospitality managers firmly believe that the advantages of a promote-from-within policy far outweigh this and the other disadvantages that can sometimes be associated with it.

While it is not, strictly speaking, an internal search system, the use of **employee referral** systems extends the network of potential applicants from an organization's own employees to those potential workers whom the employees recommend.

Employee referral systems tend to work well because employees rarely recommend someone unless they feel that person can do a good job and will fit well into the organization. Another advantage to having employees directed to the organization via an employee referral system is that these employees tend to have a more accurate view of the job to be done and the organization's unique culture. This information reduces unrealistic expectations and can help lead to reduced new employee turnover.

In some operations, employee referral systems provide a financial bonus to a staff member who recommends an applicant who is hired by the organization and remains with it for a specified time. Such a system financially rewards employees for their suggestions, and saves the operation time and money that would otherwise be invested in the search process.

Just as there can be disadvantages associated with internal searches, potential problems may exist with employee referral systems. In some cases, recommenders may suggest their own friends or relatives for positions regardless of their qualifications. It is simply human nature to want to work with those people whose companionship is also enjoyed outside of work. Therefore, hiring managers must remember to apply the same standards of employment consideration to those candidates referred by employees as they would to any other individual being considered for a vacant position.

Nepotism: Favoritism in employment based on kinship.

Nepotism, or the hiring of relatives, may also be viewed as a problem encountered by managers who encourage referrals. Many hospitality managers find that, especially in some lower-skill-level jobs, the hiring of nieces, cousins, aunts, and uncles of current employees results in positive benefits for their operations. Other managers have had less encouraging experiences and may prohibit the hiring of a current employee's close relatives.

It is important to understand that referrals of all types can be a valuable source of information about potential employees. Lower-level and supervisory jobs can often be filled by the recommendations of current employees. Upper-level positions such as unit manager, district manager, or even higher are more likely to be referred by a professional acquaintance than by a close friend. Therefore, many hospitality managers are active and visible in the professional associations directly related to their segment of the hospitality and tourism industries.

It is also important for managers to recognize that those employees who have been referred internally must, for hiring purposes, be treated the same as nonreferred employees. It is perfectly legal to hire new employees who have been referred by current employees, but as you learned in Chapter 3, even a lawful action can be improperly implemented. As a result, to minimize the potential for charges of bias or discrimination, the application, evaluation, interview, and selection procedures used for internally referred individuals should match exactly those procedures used with nonreferred employees.

Most employees working in the hospitality industry seek to do a good job and hope to improve their lives and the lives of their families through hard work and loyalty to their employers. Employers can reward this employee loyalty in a very visible and affirmative manner by, whenever possible, seriously considering

current workers for higher-level job openings that can directly improve these workers' lives and paychecks.

EXTERNAL SEARCH

External search: An approach to seeking job applicants that focuses primarily on those candidates who are not currently employed by the organization.

Despite the advantages of internal searches, many managers find that an **external search** is a good way to help identify a pool of applicants who are qualified for their organizations' vacancies.

When organizations seek candidates externally, they rely on a variety of strategies, including advertisements, public and private employment assistance agencies, educational institutions, and unsolicited applications, discussed as follows:

- *Advertisements.* Advertisements are perhaps the most commonly used means of seeking qualified job applicants. These can range from fairly simple "help wanted" postings placed in the classified ad section of most local newspapers to elaborate Web sites utilized by companies in their cyberspace recruiting efforts. In most cases, the type of job determines the best place to run an advertisement. It is important to bear in mind that advertisements work best when placed in locations that are frequently encountered by the targeted job applicant. As a result, HR managers seeking a regional vice president of operations would not advertise that vacancy in the same locations as they would a vacancy for a dining room server.

  Although job advertisements often contain specific information about who is looking for candidates and the jobs they wish to fill, in some instances, organizations find it best to place a **blind ad.** In a typical case, respondents are asked to reply to a post office box number. Blind ads are often used when an organization wishes to replace a current employee with a new one, but does not wish to let the current employee know a replacement search is underway. Another purpose arises when the manager does not want the general public to know about a large number of vacancies. Although the use of blind ads is common, some individuals may not respond to them because they are afraid the advertisement was placed by the organization that currently employs them. In other cases, potential candidates may be hesitant to respond because the actual name of the organization, and thus its reputation, is a key determinant of interest in the vacant position.

  Blind ad: A job advertisement that does not identify the advertising organization. Also known as a *blind-box ad.*

  Advertisements placed in local or national newspapers, professional trade magazines, or on Internet job sites may include very detailed information about the qualifications sought by an employer. Figure 4.1 is an example of the type of detailed ad that might be developed by a hospitality organization seeking to fill one of its higher-level management positions.

  In most cases, the more detailed the ad and the wider the distribution of it, the more it will cost. As a result, managers seeking to attract candidates

Executive Chef

Position
We are currently seeking an Executive Chef to assist in the development and implementation of budgets, culinary standards, marketing, inventory control, quality control, and food safety for all five of our foodservice locations.

Responsibilities
Develop and oversee all menu planning. Implement and develop new ideas and initiatives to improve and maximize customer satisfaction and drive operational results. Ensure compliance with OSHA, state, and federal regulations relating to health, sanitation, and safety. Ensure compliance with collective bargaining agreements and company policies and procedures. Identify training needs for the growth and development of all culinary staff.

Qualifications
Approximately five years' work experience as an Executive Chef in a multifunctional service department. Excellent supervisory and people management skills relative to successful operations and all areas of production goals involving preparation, quality standards, cooking methods, presentation, portion control, labor, training, coaching, resolving conflict, and food cost control. Approximately three years' work experience as a manager in a multifunctional foodservice department. Experience with off-premises catering and special events preferred, but not required. Excellent interpersonal, communication, and presentation skills. Planning, organizational, and coordination skills required.

Ability to plan work schedules. Ability to champion new ideas and initiatives. Expertise in menu writing, costing, and planning. Proven ability to develop teams, delegate effectively, and train staff. Willingness to interact with service staff and understand operations from a service point of view. Working knowledge of safety regulations, worker safety, and accident prevention management. Proficiency with reporting systems, including inventory, food cost, scheduling, time and attendance, and labor.

Come put your experience, talent, and commitment to professional excellence to work for a company that truly values and rewards your contribution. Submit résumé, salary history, and three letters of reference to:

(Insert employer contact information)

FIGURE 4.1: Sample Employment Ad

with paid advertisements must carefully consider the investment involved in utilizing this very effective recruiting tool.

Increasingly, companies advertise their position openings on their own Web sites. Such Web postings are low cost, can be rapidly updated (or removed), and can be easily accessed by nearly all job candidates. Current examples of Web sites that are popular among HR managers seeking job candidates are *www.HCareers.com*, *www.Monster.com*, and *www.hospitalityonline.com*.

The Internet is a great place to advertise position vacancies, but there are many other popular places as well. *Courtesy PhotoDisc/Getty Images*

There are also venues for placing advertisements that are either free or that can be posted at a very low cost. These include posting job vacancies in apartment complexes, child care centers, supermarkets, libraries, churches, community centers, and school newspapers. For those employers seeking candidates for whom English is not their primary language, it may be advisable to place ads in foreign-language no-cost or low-cost newspapers and newsletters.

- *Public employment assistance agencies.* In every state, hospitality managers will find that a public employment agency is available to help the state's citizens find jobs. The main function of these agencies is usually related to **unemployment benefits,** and most states give unemployment benefits only to individuals who are registered with the state employment agency. The result is that many individuals listed on the public employment assistance agency's register of available workers may have limited skills and training. For hospitality managers, however, such lists may include a number of excellent candidates for entry-level or even some mid-level and higher-level jobs.

  Public employment assistance agencies do not charge either employers or potential employees for their services. The result is that advertising jobs as part of a public (city) or state agency's job listings is a very cost-effective way to communicate with candidates who are qualified for some job openings.
- *Private employment assistance agencies.* The essential difference between private employment agencies and those that are public relate to fees charged for

Unemployment benefits: Monetary and nonmonetary resources given to those who are jobless but who are actively seeking work.

services provided. While public agencies are free to their users, private agencies charge for their services. It may or may not be true, but private agencies are often viewed as a source of higher-paying and more desirable jobs, as well as better-qualified job candidates, than their public agency counterparts. Private employment assistance agencies may also provide employers with additional services such as advertising jobs, screening applicants, and even providing money-back guarantees if the applicant provided does not meet the employer's expectations. The fees charged by private employment assistance agencies for their services may be absorbed by the employer, the employee, or split between both. Especially for some higher-level position vacancies, private employment assistance agencies may be an effective tool in identifying employees who can quickly make a positive contribution to an organization.

- *Educational institutions.* Most educational institutions provide services to assist their graduates in finding jobs. Whether the job to be filled requires a high-school diploma, specific vocational training, an Associate's degree, a Bachelor's degree, or even an advanced degree, educational institutions are a source of qualified job candidates that hospitality managers should not overlook. Colleges and universities, technical schools, and secondary (high) schools in an employer's area typically offer employers the chance, at little or no cost, to assess the quality of their students.
- *Unsolicited applications.* Every employer receives unsolicited applications or requests to be considered for job openings. These may arrive in the manager's office by letter, fax, or e-mail, or may be delivered in person. Even if a company has no current vacancies, these applications may be kept on file for future consideration. In the hospitality industry, however, unsolicited applications

In many cases, an individual's first job is acquired in the hospitality industry. *Courtesy PhotoDisc/Getty Images*

submitted by the unemployed generally have a relatively short life span. When these individuals are job searching, they will typically continue their search until it ends successfully. As a result, when applications of this type are submitted, they must be acted on by management within weeks, days, or even hours. Therefore, many managers make the time to personally, and daily, review all unsolicited applications submitted. These managers may even arrange to conduct on-the-spot interviews with applicants when they find their labor markets are very tight and, as a result, quality candidates are scarce.

OUTSOURCED SEARCH

Outsourced search: A search for job candidates that is performed by a professional company specializing in employee searches

Executive search: A private employment agency that specializes in identifying candidates for management positions. Also known as head hunter firms.

In some cases, HR managers decide that an **outsourced search** is the best method they can use to find the candidates they are looking for. An outsourced search is one in which an organization chooses an **executive search** firm to find potential candidates for a job.

Executive search firms impose significant charges for their services, with typical fees ranging from one-third to approximately half of the annual wages that will be paid to the employee who will be hired. These fees are typically paid by the employer, not the employee.

Executive search firms make it their business to monitor executive-level talent so they can advise their clients about the best candidates available. In most cases, the executive search firm will identify potential candidates from their lists of contacts and do preliminary screening. These firms are adept at seeking out executives with proper skills and who fit well with the hiring organization. Even though outsourced searches rely heavily on the expertise of the private employment agency chosen, the final hiring decisions still remain with the employer, not the executive search firm.

It is important to understand that, in most cases, HR managers do not choose from among internal, external, and outsourcing as their sole method of recruiting. Rather, the best managers select the approach appropriate for the vacancy they seek to fill. In some cases, this will result in using more than one of the strategies, or even all three of them when seeking to fill a specific position.

Factors Affecting Selection Efforts

3. List and explain the importance of applications, interviews, testing, background checks, and references—the five major activities that HR managers undertake when screening employees for possible selection.

After HR managers have assembled a pool of qualified candidates, they must select the applicant they wish to hire. When choosing potential applicants for employment,

hospitality managers generally will utilize some or all of the five major selection activities. These are:

1. Applications
2. Interviews
3. Pre-employment testing
4. Background checks
5. References

APPLICATIONS

The employment application is a document that should be completed by all candidates for employment. The application need not be complex. It will generally list the name, address, work experience, and related information of the candidate. The requirements for a legitimate, legally sound application are many, but in general, the questions asked on the application should focus exclusively on job qualifications and nothing else. Most hospitality companies have their employment application reviewed by an attorney who specializes in employment law. If, as a manager, you are responsible for developing your own application, it is a good idea to have the document reviewed by a legal specialist prior to using it.

It is also important that each employment candidate for a given position be required to fill out an identical application, and that an application be on file for each candidate who is ultimately selected for the position. In addition, it is also a good practice for the application to clearly state the **at-will** nature of the employment relationship.

At-will (employment): An employment relationship in which either party can, at any time, terminate the relationship with no liability.

In the hospitality industry, many applicants for jobs may have limited English speaking, reading, or writing skills. These limitations should not necessarily disqualify an applicant from being selected and doing an excellent job. Because of these possible language limitations, many hospitality employers find it helpful to provide assistance to job applicants when filling out their employment applications.

Figure 4.2 is an example of an employment application that is legally sound. Note specifically how questions are related to ability to work, previous work history, and job qualifications.

INTERVIEWS

From the employment applications (or résumés) submitted, some candidates would be selected for the interview process. In some situations, this process may entail more than one meeting. Thus, some companies may conduct a first interview with many candidates and then, based on the results of those interviews, select only those candidates in whom they have the most interest for second or even third rounds of interviews.

Lighthouse Restaurant

Application for Employment

It is the policy of the Lighthouse Restaurant to provide equal employment opportunity to all qualified persons without regard to race, creed, color, religious belief, sex, age, national origin, ancestry, physical or mental handicap, or veteran status.

Name: Last_____ First_____ Middle_____

Street Address

_____

City_____ State_____ Zip

_____

Telephone ( )_____ Social Security #_____

Position applied for

_____

How did you hear of this opening?

_____

When can you start?_____ Desired wage per hour_____

Are you a U.S. citizen or otherwise authorized to work in the U.S.? Yes_____ No_____

Are you capable of performing the essential functions of the job you are applying for with or without reasonable accommodation? Yes_____ No_____

If under 18, indicate date of birth:_____

If applying for a job involving the service of alcoholic beverages, are you over 21?
Yes_____ No_____

Are you looking for full-time employment? Yes_____ No_____

If no, what days and hours are you available? (please list all that apply)

	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.
From	___	___	___	___	___	___	___
To	___	___	___	___	___	___	___

Do you have dependable means of transportation to and from work? Yes_____ No _____

Do you have any criminal charges pending against you? Yes_____ No _____

Have you been convicted of a felony in the past seven years?* Yes_____ No_____

If yes, please fully describe the charges and disposition of the case:

_____

_____

* Conviction of a felony will not necessarily disqualify you from employment.

Education: School Name; Location; Year Completed; Major/Degree

High School _____

Technical School _____

College _____

FIGURE 4.2: Employment Application

Other _____

In addition to your work history, are there other certifications, skills, qualifications, or experience we should know about?

_____

Employment History: (Start with most recent employer.)

Company name _____ Location_____

Date Started _____ Starting Wage _____ Starting Position_____

Date Ended _____ Ending Wage_____ Ending Position _____

Name of Supervisor _____ May we contact? Yes _____ No _____

Responsibilities _____

Reason for leaving

_____

Company name _____ Location _____

Date Started _____ Starting Wage _____ Starting Position _____

Date Ended _____ Ending Wage _____ Ending Position _____

Name of Supervisor _____ May we contact? Yes_____ No _____

Responsibilities _____

Reason for leaving

_____

Company name _____ Location _____

Date Started _____ Starting Wage_____ Starting Position _____

Date Ended _____ Ending Wage _____ Ending Position _____

Name of Supervisor_____ May we contact? Yes _____ No _____

Responsibilities _____

Reason for leaving

_____

I state that the facts written on this application are true and complete to the best of my knowledge. I understand that if I am employed, false statements on this application can be considered cause for dismissal. The company is hereby authorized to make any investigations of my prior educational and employment history. I understand that employment at this company is "at will," which means that I or the company can terminate the employment relationship at any time, with or without prior notice. I understand that no supervisor, manager, or executive of this company, other than its owner has the authority to alter the at-will status of my employment.

I authorize you to make such legal investigations and inquiries into my personal employment, criminal history, driving record, and other job-related matters as may be necessary in determining an employment decision.

Signature _____ Date _____

Confidential Material/Property of Lighthouse Restaurant LLC.

FIGURE 4.2: (*Continued*)

Human Resources Management: CURRENT EVENTS 4.2

APPLICANTS, APPLICATIONS, AND THE INTERNET

Most hospitality employers utilize application forms to establish a single, uniform document for use by all job candidates or groups of candidates. In addition to obtaining needed personal information, the use of a standardized application form helps show who is considered to be an applicant; a determination that is very important in complying with the federal government's record retention and reporting requirements. For example, Title VII of the Civil Rights Act requires covered employers to retain applications for employment and other documents pertaining to hiring for one year from the date the records were made or the last action was taken. Does that mean that an HR manager who receives, via e-mail, an unsolicited résumé from an individual seeking a job must keep that e-mail for one year? What if dozens or even hundreds of such e-mails are received weekly? Daily? Are they all really applicants?

The Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs broadly define applicant to include any person who has indicated an interest in being considered for hiring, promotion, or other employment opportunities. This interest might be expressed by completing an application form, in writing or orally, depending on the employer's practice. The difficult job of determining which specific contacts create a job applicant for recordkeeping purposes has only increased with the proliferation of e-mail, online recruitment Web sites, and corporate and personal Web pages.

Fortunately, the EEOC has issued opinions to clarify recordkeeping requirements for applicants using the Internet and related cybertechnologies. The EEOC's guidance limits the definition of applicant (in the context of the Internet and related technologies) to those people who have indicated an interest in a specific position that the employer has acted to fill, and who have followed the employer's *standard procedures* for submitting an application. For this reason, many employers require that *all* job applicants (including those who have prepared résumés) submit a completed job application if they want to be considered for employment. As a result, employers must retain only those completed applications.

It is important for HR managers to understand that the types of questions that can be asked in the interview are highly restricted. This is because job interviews, if improperly performed, can subject managers to significant legal liability. If a candidate is not hired based on his or her answer to, or refusal to answer, an inappropriate question, that candidate may have the right to file a lawsuit.

The EEOC suggests that an employer consider the following three issues when deciding whether to include a particular question on an employment application or to ask it in a job interview:

1. Does this question tend to screen out minorities or females?
2. Is the answer needed in order to judge this individual's competence for performance of the job?
3. Are there alternative, nondiscriminatory ways to judge the person's qualifications?

As a manager, you must be very careful in your selection of questions to ask in an interview. In all cases, it is important to remember that the job dictates what is an allowable question. Questions to be asked of applicants should be written down in advance and carefully followed. In addition, supervisors, coworkers, and others who may participate in the interview process should be trained to avoid questions that could increase the liability of the operation.

Generally, age is considered to be irrelevant in most hiring decisions, and therefore, date-of-birth questions are improper. Age is, however, a sensitive pre-employment question, because the Age Discrimination in Employment Act protects employees 40 years of age and older. It is permissible to ask applicants to state their ages if they are younger than 18 years old (see Figure 4.2), because they are only permitted to work a limited number of hours each week. It may also be important when hiring bartenders, and other servers of alcohol, that these individuals' ages are at or above a state's minimum age for serving alcohol.

Race, religion, and national origin questions are always inappropriate, as is the practice of requiring that photographs of the candidate be submitted prior to or after an interview. Questions about physical traits like height and weight have been found to violate the law because they eliminated disproportionate numbers of female, Asian-American, and Spanish-surnamed applicants.

If a job does not require a particular level of education, it may even be considered improper to ask questions about an applicant's educational background. Applicants can be asked about their education and credentials if these are bona fide occupational qualifications. For example, it is allowable to ask a candidate for a hotel controller's position if he or she has a degree in accounting and which school granted that degree. Asking a potential table busser for the same information would be inappropriate.

It is permissible to ask applicants if they use illegal drugs or smoke, because either of these traits can be legally used to disqualify applicants. It is also allowable to ask candidates if they are willing to submit to a voluntary drug test as a condition of employment. Questions concerning whether an applicant owns a home potentially discriminate against those individuals who do not own their own homes, and thus may be discriminatory. In a similar manner, questions concerning the type of discharge received by an ex-military applicant are improper, because a higher proportion of other-than-honorable discharges are given to minorities.

Safe questions can be asked about a candidate's present employment, former employment, and job references. In most cases, questions asked on both the application and in the interview should focus on the applicant's job skills and nothing else. It is not possible to list all of the allowable and unallowable questions that may be asked in an interview setting, but Figure 4.3 contains some detailed guidelines for asking appropriate interview questions.

Questions about Name that should be avoided:

- Maiden name of a married woman
- Name of a spouse

Questions about Name that can be asked:

- Whether or not the applicant ever worked under another name or was the applicant educated under another name (allowable only when the information is needed to verify the applicant's qualifications).

Examples:

1. Have you ever worked for our company under any other name?
2. Is there any information relative to you changing your name that would help us in conducting an educational background check?

Questions about Birthplace and Residence that should be avoided:

- Birthplace of applicant
- Birthplace of applicant's parents
- Do you own a home, rent, board, or live with your parents?
- Citizenship
- Address of applicant's spouse and children who are dependents

Question about Birthplace and Residence that can be asked:

- Inquiry about address sufficient to facilitate contact with applicant

Questions about Creed/Religion that should be avoided:

- Inquiry concerning religious preference, denomination, or affiliations of applicant
- The name of the Church attended or religious holidays observed by applicant

Examples of discriminatory questions:

1. What is your religion?
2. What religious holidays do you observe?
3. Which church do you attend?
4. What do you do on Sundays?

FIGURE 4.3: Interview Questions That Should Be Avoided and Those That Can Be Asked

Questions about Creed/Religion that can be asked:

- This job requires people to work on weekends; can you meet this requirement? (Employers do have an obligation, according to EEOC guidelines, to make "reasonable accommodations" for employees whose religious convictions may conflict with scheduling requirements of the business.

Questions about Race or Color that should be avoided:

- Applicant's race
- Color of applicant's skin, eyes, hair, distinguishing physical characteristics, markings

Questions about Race or Color that can be asked:

- None legitimately allowed

Questions about Age that should be avoided:

- Date of birth or age of applicant, except when such information is needed to legally perform a job (e.g., to satisfy the provisions of either state or federal minimum age statutes)

Examples of discriminatory questions:

1. What is your age or date of birth?
2. How old are you?
3. Are you between the ages of 18–24, 25–34, etc.?
4. Will you mind being the oldest one working here?

Questions about Age that can be asked:

- If hired, can you offer proof that you are at least 18 years of age?
- If hired, can you offer proof that you are at least 21 years of age?

Questions about Language that should be avoided:

- Applicant's mother tongue
- Language commonly used by applicant at home
- How the applicant acquired the ability to read, write, or speak a foreign language

Examples of discriminatory questions:

1. Is English your first language?
2. What language did you speak as a child?

Question about Language that can be asked:

Which languages do you speak fluently (only if job-related)?

Questions about National Origin that should be avoided:

- Applicant's lineage, ancestry, national origin, descent, birthplace, parentage, or nationality
- Nationality of applicant's parents or spouse

FIGURE 4.3: (*Continued*)

Examples of discriminatory questions:

1. Are you a United States citizen?
2. Of what country are you a citizen?
3. Where were you born? Where were your parents born?
4. What nationality are you?
5. What language did you speak as a child?

Questions about Citizenship that can be asked:

- Whether applicant can be lawfully employed in this country because of visa or immigration status
- Whether applicant can provide proof of legal right to work in the United States after being hired

Examples:

1. Can you show proof of your eligibility to work in the United States?
2. If you are not a United States citizen, do you have the legal right to remain/work here?

Questions about Marital Status that should be avoided:

- Any inquiry as to whether an applicant is married, single, divorced, separated, engaged, widowed, etc.
- Number of dependents; number of children
- Spouse's occupation
- With whom do you live?

Questions about Marital Status that can be asked:

- None

Questions about Disabilities that should be avoided:

- Any general inquiry as to whether applicant has any physical or mental disability. This includes an inquiry about the nature, severity, or extent of a disability.

Examples of discriminatory questions:

1. Are you disabled?
2. What is the nature or severity of your disability?
3. What kinds of problems does being disabled cause you?
4. Do you think you have the physical strength for the job?

Questions about Disabilities that can be asked:

- Does applicant have any disabilities that would prevent him or her from satisfactorily performing the job? (Must be accompanied by mention of reasonable accommodation.)

FIGURE 4.3: (*Continued*)

Example:

Are you able to perform the essential functions of this job with or without reasonable accommodation? (Show or read the applicant the position description so he or she can give an informed answer.)

Miscellaneous Questions that can be asked:

- This job requires heavy lifting. Can you lift or move 50 pounds? This is legal only if it is a bona fide occupational qualification (BFOQ).
- Are there specific times that you cannot work or adhere to this proposed work schedule?
- What professional or trade groups do you belong to that you consider relevant to your ability to perform this job?
- "Our smoking policy is . . . (fill in your operation's policy)." Can you adhere to it?

FIGURE 4.3: (*Continued*)

Human Resources MANAGEMENT ISSUES (4.1)

"I like his personality a lot, but I don't know, I just didn't like his looks," said Mini, the cafeteria supervisor.

"What was wrong?" asked Teri Settles, the Dietitian in charge of the hospital foodservice operation where Mini worked.

Mini and Terri were discussing Josh, a 23-year-old man who had interviewed for a job bussing tables in the hospital's public dining room.

"It was his neck," replied Mini. "He had these black things that looked like geometric designs on his neck!"

"Tattoos?" asked Terri.

"Yes," replied Mini. "I don't understand these young people."

"I don't know, Mini. I'm not so sure they are all that much different than we were at that age," replied Terri.

1. Do you think Mini's reaction to Josh's tattoos is representative of the general public?
2. While it is perfectly legal to reject an applicant with a tattoo, do you personally think visible tattoos should be grounds for rejecting an otherwise qualified job applicant? Why or why not?
3. As an HR specialist in the hospitality industry, what ground rules (if any) would you develop for employee body adornment (including makeup, visible tattoos, and body piercings)? What factors might influence your decisions?

TESTING

Pre-employment testing is a common way to improve the employee screening process. Test results can be used, for example, to measure the relative strength of two candidates. In the hospitality industry, pre-employment testing will generally fall into one of the following categories:

1. Skills tests
2. Psychological tests
3. Drug screening tests

Skills tests were among the first tools used by managers to screen applicants in the employment process. In the hospitality industry, skills tests can include activities such as typing tests for office workers, computer application tests for those involved in using word processing or spreadsheet tools, and, for culinarians, food production tasks.

Psychological testing can include personality tests, performance predictor tests, or mental ability tests. For both skills tests and psychological tests, the important rule to remember is this:

> "If the test does not have documented validity and reliability, the results of the tests should not be used for hiring decisions."

Pre-employment drug testing is allowable in most states, and can be a very effective tool for reducing insurance rates and potential worker liability issues. Many managers feel a drug-free environment tends to attract better-quality employment candidates, with the resulting impact of a higher-quality workforce. There are, however, strict guidelines in some states as to when and how people can be tested. If pre-employment drug testing is to be used, care must be taken to ensure the accuracy of the testing. In some cases, applicants whose erroneous test results have cost them a job have successfully sued the employer. The laws surrounding mandatory drug testing are very complex. If you elect to implement either a pre-employment or post-employment drug-testing program, it is best to first seek advice from an attorney who specializes in labor employment law in your state.

BACKGROUND CHECKS

Increasingly, hospitality employers are utilizing background checks prior to hiring workers in selected positions. It has been estimated that as many as 35 percent of all résumés and employment applications include some level of falsification. Because this is true, employers are spending more time and financial resources to validate information supplied by a potential employee. It is important to understand that, while many types of background checks are available, not all are advisable. Background checks should be specifically tailored to obtain only information that relates directly to each individual's suitability for employment. The applicant background checks most commonly

performed include criminal history, credit reports, driving records, and academic credentials and licenses, discussed as follows:

Criminal History

As a general rule, criminal conviction records should be checked when there is a possibility that the person could create significant safety or security risks for coworkers, guests, or clients. Examples include employees who will (1) have close contact with minors, the elderly, the disabled, or patients; (2) have access to weapons, drugs, chemicals, or other potentially dangerous materials; (3) work in, or deliver goods to, customers' homes; and (4) handle money or other valuables, or have access to financial information or employee personal information. In addition, some states require a check for criminal convictions before hiring individuals as employees of healthcare facilities (including food services), financial institutions, or public schools.

Credit Reports

Credit reports typically include financial information such as payment history, delinquencies, amounts owed, liens, and judgments relating to an applicant's credit standing. Arbitrary reliance on the results of these checks, however, has, in some cases, been found to result in adverse impact discrimination against women and minorities. Accordingly, use of credit reports should be limited to situations where there is a legitimate business justification, such as for jobs that entail monetary responsibilities, the use of financial discretion, or similar security risks.

Driving Records

Motor vehicle records (MVRs) are available from state motor vehicle departments. They usually contain information about traffic violations, license status, and expiration date. MVRs should be checked for any employee who will drive a company vehicle or a personal vehicle on the employer's business.

Academic Credentials and Licenses

Academic information (such as schools attended, degrees awarded, and transcripts) should be verified when a specified level or type of education is necessary for a particular job. Similarly, proof of licenses (and their current status, expiration dates, and any past or pending disciplinary actions) should be obtained if a license is required for the position in question.

Using background checks as a screening device does involve some risk to employers, as well as some responsibility. Employers should only search for information that has a direct bearing on the position for which a candidate is applying. In addition, if a candidate is denied employment on the basis of

Human Resources Management: CURRENT EVENTS 4.3

PRINCIPLES OF EMPLOYEE BACKGROUND CHECKS

Regardless of the applicant background checks you choose to conduct, four key points should always be addressed to ensure that the checks are completed legally and effectively.

Principle 1: *Always obtain written consent before conducting any background check*. An explicit written authorization helps protect against invasion of privacy, defamation, and other wrongful act claims. It is also a good idea to expand the waiver language on consent forms to include the employer and those who assist with background checks (such as HR staff, former employers, and screening firms).

Principle 2: *Evaluate results fairly and consistently*. Avoid hasty rejections when negative information surfaces during a background check. Consider the negative information in the context of the job to be performed. For example, to reject an otherwise qualified front desk agent as a candidate because of a poor driving record is unwise if the job requires no business driving. Alternatively, it may be the only sensible action in the case of a van driver's position at the same hotel.

Principle 3: *Restrict access to information obtained in background checks*. Background check materials should be kept in secure confidential files and disclosed only on a strict need-to-know basis. Access to records relating to criminal or financial history should be limited as narrowly as possible.

Principle 4: *Do your checks as one of the last steps in the selection process*. There is no need to spend the time and money for background checks on a candidate until the decision has actually been made that you will likely offer the candidate a position.

information found in a background check, the employer should provide a candidate with a copy of that report. Sometimes, candidates can help verify or explain the content of their own background checks. Also, reporting agencies can make mistakes, and if you improperly rely on false information to make a hiring decision, it may put your organization at risk.

REFERENCES

In the past, employment references were a very popular tool for managers to use in the screening process. In today's litigious society, however, they are much more difficult to obtain. While many organizations still seek information from past employers about an employee's previous work performance, few sophisticated

companies will divulge such information. In most cases, previous employers are willing only (if at all) to reveal a previous employee's start date and separation date. It is important to note that some employers have been held liable for inaccurate comments that have been made about past employees. The benefits to a past employer for being truthful about previous employees is widely thought to be heavily outweighed by the potential liability associated with such honesty.

It is important for HR managers to understand that it is now very easy for job seekers to employ the services of companies that specialize in providing their clients (the job seeker) with a confidential, comprehensive verification of the employment references given by the job seeker's former employers. Because that is true, employers are becoming ever-more cautious about supplying information on employees who have left their organization. The end result is that personal references have become a much greater recruiting tool than references from past employers. If references from past employers are to be sought, to help minimize the risk of litigation related to the reference checks, it is best to secure the applicant's permission in writing before contacting an ex-employer.

As an employer, you and your own organization must be extremely cautious in both giving and receiving reference information. Employers are usually protected if they give a truthful reference, but that does not mean you will be free from the time and expense of defending a **defamation** case brought by an ex-employee.

Defamation: False statements that cause someone to be held in contempt, lowered in the estimation of the community, or to lose employment status or earnings, or otherwise suffer a damaged reputation.

If, for example, an employer giving a reference states that an ex-employee was terminated because he or she "didn't get along" with coworkers, the employer may well have to be able to prove the truthfulness of the statement, as well as prove that all of the blame for the difficulties was the responsibility of the ex-employee.

To minimize your own risk of a lawsuit, you should never reply to a request for information about one of your ex-employees without a copy of that employee's signed release authorizing the reference check. How much you choose to disclose about an ex-employee is your decision, but your answers should be honest and defendable. Also, it is best never to disclose personal information such as marital difficulties, financial problems, or serious illness (because you could also be sued for invasion of privacy). As a result, many employers today give only the following information about past employees:

1. Employer's name
2. Ex-employee's name
3. Date(s) of employment
4. Job title
5. Name and title of person supplying the information

If a prospective employee provides letters of reference, always call the authors of reference letters to ensure that they wrote them. When possible, it is best to put any request for reference information in writing, and ask that the response be in written form. If a verbal response is all that can be obtained, document the conversation; write down as much of the dialogue as possible, including the name of the party you spoke to and the date and time the contact occurred.

Human Resources Management: CURRENT EVENTS 4.4

RESPONSIBILITIES FOR EMPLOYMENT STATUS VERIFICATION

In many parts of the country, labor shortages are one of the most difficult challenges facing hospitality managers. Add to that situation the fact that many individuals illegally migrate to this country to seek employment, and the potential for knowingly or unknowingly hiring individuals who are unauthorized to work in the United States is real. HR managers need to know their current (but potentially changing) responsibilities for determining the legal status of potential workers.

All newly hired employees are required to fill out an Employment Eligibility Verification form (commonly known as an I-9 form) stating that they are authorized to work in the United States. U.S. Citizenship and Immigration Service regulations allow an individual 72 hours from the time of hire in which to complete Form I-9 (e.g., If hired on Monday, an individual has until the close of business Wednesday in which to complete the form). Current I-9s can easily be downloaded in PDF format at http://www.uscis.gov/files/form/i-9.pdf.

The form requires potential employees to verify both their citizenship status and legal eligibility to work. The manner in which an employee can document these two facts is varied and can be accomplished via an applicant-selected configuration of one or two documents from a list of 29 possible items, including U.S. passport, driver's license, Social Security card, and school identification card.

Employers *are not* required to verify the authenticity of the identification documents they are presented, but they do need to keep a copy of them on file. The documents must pass a good-faith test: That is, "Do they look real?" If so, the applicant may be hired. If an employee is later found to be unauthorized, the employer must terminate employment. Employers who do not end employment of unauthorized workers or who *knowingly* hire unauthorized workers may be fined up to $11,000 for each ineligible employee.

HR managers should never knowingly break the law. They should also continue to monitor this important area of employment law so that they can constantly be in compliance with it, as well as with all applicable, but ever-changing, U.S. immigration and employment laws.

Negligent Hiring

4. Understand and explain the potential legal liability related to negligent hiring.

Giving references for past employees, like pre-employment testing, can subject you and your operation to litigation if the comments made during the reference are challenged, or if the information secured during a test is false or used in a way that

violates employment law. In addition, if the information is improperly disclosed to third parties, it could violate the employee's right to privacy. *Not* conducting background checks on some positions, however, can subject you to even more legal difficulty under the doctrines of **negligent hiring** and **negligent retention.**

Negligent hiring: Failure on the part of an employer to exercise reasonable care in the selection of employees.

Negligent retention: Retaining an employee after the employer became aware of an employee's unsuitability for a job, thereby failing to act on that knowledge.

Negligent hiring liability is usually found where an employee who caused injury or harm to another had a reputation or record that showed his or her propensity to do so, and this record would have been easily discoverable by that employer, had reasonable care (in this case, a diligent search) been shown. Similarly, if an employer, after hiring an employee, discovers information that would have disqualified the candidate from job consideration, and the employer does not remove the employee from the job, negligent retention may be charged.

How can employers show that reasonable care was used in the hiring process? All that is normally required is to thoroughly verify all pertinent information about each candidate prior to making a job offer. For example, it would be extremely difficult for anyone to argue that the employer knew or should have known that the information received was false if multiple references were contacted, and if all relevant credentials of an individual employee were verified to the best of an employer's ability. It would also be difficult (but not, unfortunately, impossible!) for a judge or jury to find that an employer had been negligent in its hiring processes if this standard of care were exercised prior to every hiring decision.

Human Resources MANAGEMENT ISSUES (4.2)

Holly Rosencrans is the assistant general manager of a country club in Texas. She has been in charge of membership activities and services for three years. One of her areas of responsibilities is the selection of pool lifeguards, which are required in her facility by local statute.

Each lifeguard working at the country club must be certified in cardiopulmonary resuscitation (CPR). Ms. Rosencrans interviews a candidate who lists the successful completion of a CPR course as part of his educational background. Ms. Rosencrans does not verify the accuracy of the candidate's statement. Assume the death of a six-year-old child of a club member resulted because this lifeguard did not, in fact, successfully complete CPR training. As a result, he was not able to render appropriate aid to the drowning victim, who would otherwise likely have been saved.

1. Do you think Ms. Rosencrans could be guilty of negligent hiring?
2. Do you think a jury of 12 average citizens would find Ms. Rosencrans and/or her country club guilty of negligent hiring?
3. As an HR specialist, how will you determine which of your job positions may subject you or your company to potential charges of negligent hiring?

Job Offers

5. **Describe the legal difference between a conditional job offer and a final job offer.**

Employment agreement: The terms of the employment relationship between an employer and employee that specify the rights and obligations of each party to the agreement.

Offer letter: A proposal by an employer to a prospective employee that specifies the terms of employment. A legally valid acceptance of the offer will create a binding employment contract.

After you have legally selected an employee for your organization, it is a good practice to clarify the conditions of the **employment agreement** with that employee.

All employers and employees have employment agreements with each other. The agreement can be as simple as agreeing to a specific wage rate per hour worked and at-will employment for both parties. This can be true even if there is nothing in writing, or if work conditions have not been discussed in detail. Employment agreements may be individual, covering only one employee, or, as in a unionized operation, they may involve groups of employees. Generally, employment agreements in the hospitality industry are established orally, or with an **offer letter.**

Offer letters, when properly composed, can help prevent legal difficulties caused by employee or employer misunderstandings. As their name implies, offer letters detail the offer made by the employer to the employee. Some employers believe offer letters should be used only for managerial positions. To avoid difficulties, all employees should have signed offer letters in their personnel files. Components of a sound offer letter include:

1. Position being offered
2. Compensation included
3. Benefits included (if any)
4. Evaluation period and compensation review schedule
5. Start date
6. Location of employment
7. Special conditions of the offer (i.e., the at-will relationship)
8. Reference to the employment manual (see Chapter 3) as an additional source of information regarding employer policies that govern the workplace
9. Signature lines for both employer and employee
10. Date of signature lines

An offer letter may be either conditional or final. When putting forward a *conditional* offer letter, the employer tentatively, or conditionally, offers the job, but the offer is subject to the conditions that must be met by the applicant before the job offer is finalized. These conditions may include passing drug or other tests, background checks, or any other requirement identified by the employer. With a conditional offer letter, the legally binding employment agreement is not in effect until the employee accepts the terms of the offer letter and fulfills the requirements it identifies. A *final* offer letter, however, contains no conditions that must be met before acceptance. An enforceable employment contract is in effect at such time as the final offer letter is legally accepted by the job applicant.

To further illustrate the difference between a conditional and final job offer, consider the case of Antonio Molina. Antonio applies for the position of maintenance

Employee selection is one of a manager's most critical tasks, because how effectively it is done will directly affect how others view that manager's people skills. *Courtesy Purestock*

foreman at a country club. He is selected for the job and is given a conditional offer letter by the club's general manager. In the letter, a special condition of employment is that Antonio must submit to and pass a mandatory drug test. Antonio signs the letter when it is received, but his employment with the country club will not be finalized until he takes and passes the drug test.

Human Resources Terms

The following terms were defined in this chapter:

Recruiting
Selection
Unemployment rate
Entry-level (position)
Internal search
Promote-from-within
Employee referral
Nepotism
External search
Blind ad
Unemployment benefits
Outsourced search
Executive search
At-will (employment)
Defamation
Negligent hiring
Negligent retention
Employment agreement
Offer letter

For Your Consideration

1. Some hospitality managers emphasize skills and experience when hiring new employees, while others choose employees based on the candidates' personality and attitude. It would likely be best to choose employees that are viewed positively on all of these traits, but if you had to select a new staff member based on fewer than all of these traits, which do you feel is most important? Explain your answer.
2. In many hospitality organizations, physical attractiveness is unquestionably a factor used to select employees in such positions as front-of-the-house food servers and hotel front desk agents. What is your opinion of the advisability and legality of utilizing such a hiring factor? Explain your answer.
3. Many employers simply refuse to answer any questions about the prior employment status of individuals who previously worked for them. What, if any, legal or ethical responsibility does a past employer have to provide information about a previous employee? Defend your position.

Case Study: Human Resources Management in Action

"Tell me again," said Tammy Larson, executive housekeeper at the Comley Grand Plaza Hotel. "What did she write?"

"I told you," said Mike Brennan, the hotel's HR director. "Under the Have You Ever Been Convicted of a Crime section, the applicant put "Yes." Under the Explanation section, she put "Drug Possession, 1998. Served 3 months in county jail."

Tammy and Mark were discussing Stephanie Bell, a female who had applied for a job as a housekeeper.

"It was over ten years ago," said Tammy.

"Right," replied Mike, "but does it concern you that she served three months' jail time? It must have been serious."

"We don't know the specific circumstances," replied Tammy. "The question is: does this keep me from considering her for the job? I really liked her, and we are short of room attendants right now."

Dimension: Societal Responsibility

Review the conversation described in the case:

1. Do you think Stephanie should be considered a viable candidate for the vacant housekeeping position? Why or why not?
2. Assume you were the on-site foodservices director in a large elementary school. Would you consider hiring Stephanie for your kitchen operation? Why or why not?
3. Some companies only ask applicants to list recent criminal activity (typically within the previous seven years) when completing job applications. Do you agree or disagree with such an approach? Explain.

Dimension: Company Procedures and Decision Making

Review the conversation described in the case:

1. What crimes, if any, do you feel would automatically disqualify an employee from job consideration?
2. What types of criminal activity, if any, do you feel would not automatically disqualify an employee from job consideration?
3. What personal factors do you believe would influence your or any other hospitality manager's responses to these two questions?

Dimension: Negligent Hiring

Review the conversation described in the case. Assume that the decision was made to hire Stephanie. Assume also that, nine months later, Stephanie was involved in a physical altercation (shoving match) with a fellow employee, in which both were slightly injured. During the investigation of the incident, and in keeping with company policy, both employees were required to undergo drug and alcohol use testing on the day of the incident. Stephanie tested negative for alcohol and positive for trace cocaine. The other employee tested negative for alcohol and positive for trace marijuana.

1. What, if any, actions would you take as Stephanie's supervisor? How would the absence or presence of a company-established Employee Assistance Program (EAP) affect your decisions?
2. Assume Stephanie's fellow employee was seriously injured in their shoving match, and the attorney representing that employee charged your company with knowingly hiring a person who could reasonably have been expected to pose a risk to others (negligent hiring). How would you respond?

Internet Activities

1. The Internet has made just as large an impact on employee recruiting as it has on most other parts of business. In the hospitality industry, Hospitality Careers.com has emerged as one of the most widely used recruiting devices. Go to *www.hcareers.com.*
   a. Select the jobs and the geographic areas in which you would be most interested to work.
   b. Did you find the site easy to navigate?
   c. If you were an HR director seeking candidates for a job opening, would you utilize hcareers.com? Why or why not?
2. Executive search firms help HR managers fill jobs nationally and internationally. One such company that services North America is Global Hospitality. To visit their site, go to *www.globalhospitality.com.*

   a. Read their "Code of Ethics" under the "About Us" tab.
   b. What is your opinion of their ethics code?
   c. Do you think you would ever list your name with such a company? Why or why not?
3. Hospitality managers increasingly use pre-employment background checks to reduce their chances of being sued for negligent hiring. Companies such as American Background were formed to assist managers in checking applicants' backgrounds. To review their services, go to *www.americanbackground.com.*
   a. Click on their "Services" tab to review the services they provide.
   b. How important are employee background checks to the industry segment in which you seek to work?
   c. Would there be any areas of your own life in which you feel a background check would be inappropriate or intrusive? Why?

CHAPTER **FIVE**

First Impressions and an Ethical Foundation

CHAPTER OUTLINE

The New Employee Adaptation Process
Employee Adaptation Concerns
Steps in the Adaptation Process
Orientation Programs and Procedures
Goals of Orientation Programs
Use an Orientation Checklist
Departmental Induction Procedures
Orientation Follow-up
Employee Handbooks
Employee Handbooks Are Necessary
Important Policies and Procedures Are Identified
Mentoring Programs
Background
Implementing a Formal Mentoring Program
Human Resources and Ethical Concerns
What Are Ethics?
Codes of Ethics
Corporate (Social) Responsibility
Human Resources Terms
For Your Consideration
Case Study: Human Resources Management in Action
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Endnotes

CHECKLIST OF CHAPTER LEARNING OBJECTIVES

As a result of satisfactory completion of this chapter, readers will be able to:

1. Review the basic concerns of new employees as they begin work in a hospitality organization.
2. Explain important procedures that should be used as employee orientation programs and procedures are developed and implemented.
3. Note the importance of employee handbooks, and list typical policy and procedure topics that might be included in them.
4. Identify basic concerns that should be addressed as employee mentoring programs are planned and implemented.
5. Discuss the role of ethics in the management of human resources.

Impact on Human Resources Management

You've probably heard the old expression, "You only have one opportunity to make a good first impression!" This commonsense observation sets the scene as we address a new employee's initial on-job activities and ethical considerations that should guide the organization and its employees as decisions are made.

As new employees participate in initial work experiences, they desire reinforcement that their decision to join the hospitality organization was a good one. What managers do (and don't do) will likely have a significant impact on the perceptions of new employees. A well-planned and consistently implemented orientation program is a great first step in efforts to help assure that new employees have favorable rather than unfavorable first impressions of their employer, workplace, managers, and team.

Managers should consider their own initial work experiences and the impressions that were created. Background information about the process by which new staff members adapt to a work situation establishes the context within which orientation programs are planned and implemented. The orientation process is important for both the new staff member and the hospitality organization. Therefore, it should be carefully planned and, once used successfully, its major components can be replicated for use as initial on-job activities for future employees are required.

Employee handbooks provide a wealth of information that is helpful as managers make decisions affecting employees. Handbooks also assist staff members when they want to know about work requirements that affect them. Managers and supervisors must be fair, and equitable treatment of employees is most assured when the same requirements apply to all employees all of the time. These requirements should be addressed in a current and well-organized employee handbook provided to new employees during their orientation process.

Mentoring programs are used by some hospitality organizations to provide ongoing guidance by experienced staff members to their younger (less experienced) counterparts. Mentors may not be assigned to employees until after orientation and initial training activities are completed. In fact, they are typically only available to those employees desiring this special assistance and/or to their peers who are fast-tracking in a career development program. However, their availability, their role that supports personalized guidance to staff members, and the mechanics of how the program operates are among applicable topics to be addressed during orientation sessions.

Ethics relates to concerns about what is right and what is wrong. Professional managers are ethical managers, and they consistently use procedures that incorporate ethical considerations. The best-run organizations are influenced by a culture driven by ethical concerns, and their managers role-model the practices that are appropriate for their employees. These staff members will likely treat guests in the same manner as they are treated, so the success is better assured when ethical concerns are at the forefront of the decision-making process.

The New Employee Adaptation Process

1. **Review the basic concerns of new employees as they begin work in a hospitality organization.**

Adaptation (to the organization): The process by which new employees learn the values of and what it's like to work for a hospitality organization during initial on-job experiences.

Managers have an important responsibility to help their new employees learn about and become comfortable working in the hospitality operation. Whether it is planned or just happens, all newly employed staff go through an **adaptation** process as they learn about the values of the organization and what it's like to work for it.

Effective managers realize that their efforts to meet employee needs, and to reduce turnover rates, begin the moment employees are selected. They understand that new staff members are anxious and, perhaps, even stressed because they do not understand specific job expectations nor how their performance will be judged. They are uncertain about relationships with supervisors and peers, about whether there will be unexpected work tasks, and if there will be unanticipated physical and/or mental challenges. Managers should address these concerns in their earliest interactions with new staff members.

EMPLOYEE ADAPTATION CONCERNS

For employees to work effectively, they must know what to do, and they must perform job tasks properly. These concerns should be addressed in training programs that begin after orientation concludes. However, new staff members will see, hear, and experience things as they begin work that set the context for more formal experiences that will follow. Contrast, for example, two greetings that might accompany the introduction of a new employee to an experienced peer: "So glad you're here; welcome to the team," and "Hey, we really need help; hope you stay here longer than the last guy." While a manager cannot write the script for what an experienced employee will say to a new employee, the manager's history of actions that impact the work environment will be easily and quickly seen as the new staff member begins work.

The cleanliness of work stations, conversations of employees between themselves and with guests, and behaviors of employees that represent their work attitudes will be observed by and will influence the attitudes and behaviors of new staff members.

New employees want to be accepted by their peers and to quickly become contributing members of their work team. While the socialization process takes time, it begins as workers are initially put at ease and as they are involved in hospitable interactions with their peers. These are additional examples of how an organization's culture and the environment influenced by the manager will impact what and how early interactions occur. Managers know that employees want to fit in with their peers and become effective team members rather than advocates of the "them versus me" culture that exists in some operations. Managers have a

pervasive influence over the attitudes and actions of staff members. The precedence they have set with their employers and their ongoing interactions will impact staff members' interactions with new employees.

Experienced hospitality managers know that new staff members adjust to the new employment situations in similar ways, and this is the topic of the next section of this chapter.

Human Resources MANAGEMENT ISSUES (5.1)

Cindy had been working at the Harbor View Hotel as a bartender for about two months. She liked her job (great tips!), and she appreciated the way her supervisor, Florence, treated her on the job.

Although Cindy never had any problems with Florence's leadership style, she had noticed that Florence had her favorites. Cindy was glad that she was one of them. However, Florence also had other direct reports she treated much less fairly and, sometimes, disrespectfully. Cindy also remembered times when Florence had spoken inappropriately about top-level managers, some of the regular hotel and lounge guests, and even about the hotel and the entire hospitality industry.

Florence was very opinionated (and everyone who disagreed with her was obviously wrong), and she frequently discussed the people she knew and the "real job" that her contacts would help her to obtain. Cindy had initially overlooked these aspects of Florence's workplace tactics and attitudes because they didn't directly affect her. However, she now began to think, "Why is Florence nice to me? Is this really a good place to work? I have lots of other options and really desire a career in the hospitality industry. Is it better to stay here, and learn what a supervisor should *not* do, or take another job to learn things that will help me in my career?"

QUESTIONS

1. What, if anything, would you do if you were Cindy when Florence began saying negative things about other employees, customers, and the hospitality organization and industry?
2. How might Florence be affecting the corporate culture of her department?
3. How is the corporate culture affecting Cindy?
4. What would you do, if you were Cindy, as you considered your relationship with the hotel, your interest in remaining an employee at the property, and your desire to learn as much as possible about the hospitality industry early in your career?

STEPS IN THE ADAPTATION PROCESS

Figure 5.1 provides an overview of the new employee adaptation process.

Let's review the steps in the new employee adaptation process shown in Figure 5.1:

- **Step 1:** When new employees are selected, they have basic perceptions and attitudes about the work and the organization. These are probably based on factors including (a) information learned during the employment interview; (b) advertising messages (if, for example, the new employee has experienced the company's advertising messages); (c) previous experience, if any, as a guest in the operation; and (d) feedback about the property from others in the community, including present or past employees.
- **Step 2:** Early on-job experiences including orientation and training may reinforce initial perceptions (Step 1), or they may prove them to be less than accurate. Some apprehension is typical, however, if there is a significant difference between what new employees perceived (Step 1) and what they actually experience (Step 2). New staff members must either make significant changes in perceptions and expectations or, perhaps more frequently, new employees are likely to become discontented and become additional turnover statistics. This is especially so when the new employee desires to work for an organization in a position that meets initial expectations (Step 1), and/or when the staff member has other employment opportunities, which often occurs when there are high unemployment rates.
- **Step 3:** Employees who begin to recognize and accept the culture of the organization and who want to become cooperating members of work teams will likely be accepted by their peers. They then want to become contributing members of the organization.

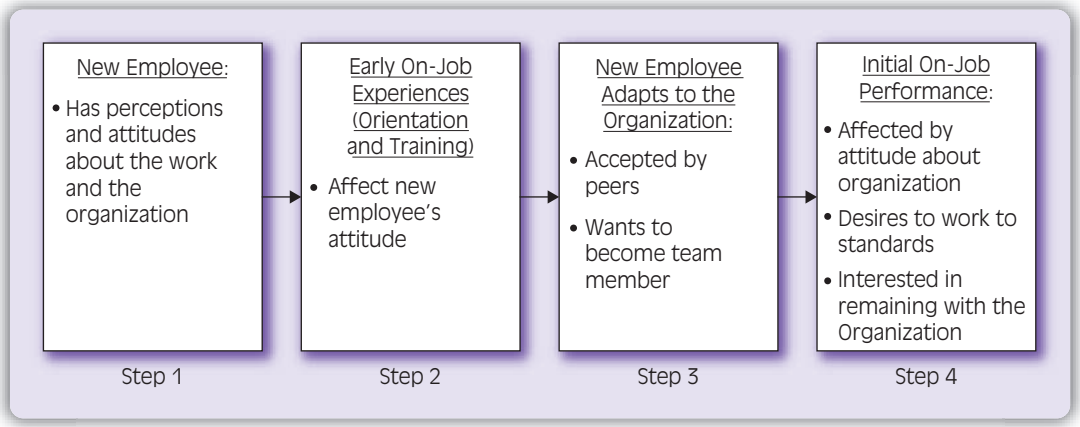

FIGURE 5.1: The New Employee Adaptation Process

- **Step 4:** At this point, perhaps the most difficult challenge has been accomplished. The new staff member has a positive attitude about the organization and is willing to learn about and contribute to it. The initial orientation and training activities enable new employees to perform work meeting quality and quantity standards. Successful performance reinforces the employees' attitude about the organization, and they begin to experience and relate to cultural norms encouraging retention rather than turnover.

Many of the tactics required to successfully assist new employees to adapt to the organization relate to on-job leadership and supervisory concerns that extend beyond the scope of this book. However, they also suggest that a combination of big-picture human resources strategies and front-line supervisory procedures yield a workforce committed to partnering with the organization. In large organizations, human resource managers and their line department counterparts must work closely together to best assure that the work environment is favorable to staff members. In smaller organizations without human resources specialists, managers have the increased responsibility to plan, implement, and maintain work environments that encourage employee retention. This should be of obvious concern. However, hospitality managers are very busy and, unfortunately, may spend significant time addressing short-term challenges rather than longer-term actions that impact employee relationships.

Will the new staff member signing this letter of acceptance enjoy or become stressed about his or her initial job experiences? In large measure, the answer will depend on the quality of the orientation program that has been planned and implemented by concerned managers.
Courtesy PhotoDisc/ Getty Images

Orientation Programs and Procedures

2. Explain important procedures that should be used as employee orientation programs and procedures are developed and implemented.

Orientation: The process of providing basic information about the hospitality organization that must be known by all staff members in every department.

Orientation is the process of providing basic information about the hospitality organization that must be known by all staff members in every department. Implemented effectively, orientation efforts provide initial on-job experiences that help new staff members learn about the organization and its purposes, become comfortable with the work environment, and learn where they fit into it. In other words, orientation assists with the new employee adaptation process discussed in the previous section. Discussions about basic policies and procedures also help new staff members learn about matters of personal importance, such as their employer's expectations and job-related benefits. In effect, then, orientation and other initial work-related experiences help the new employees learn how the organizational culture views its staff members. It is critical that an effective orientation program be planned and implemented, because it significantly affects the relationship between the organization and its staff members.

Human Resources Management: CURRENT EVENTS 5.1

MANY NEW EMPLOYEES MEAN MANY ORIENTATION SESSIONS

When the W. Dallas Hotel opened, it had 3,000 applications for 200 positions. Many people, including those without previous hotel experience, wanted to work for this stylish, upscale hotel. About 400 new employees participated in an intensive 10-day program to learn about the W brand's service style. As part of their training experience, they were able to experience the property as guests in the hotel and in its restaurants, bars, and spa.

The employees were empowered to go out of their way to assist guests with unexpected extras. Ross Cline, the president of W, refers to staff members as "experience engineers" and "talent," and new employees are easily caught up in the philosophy of "giving guests whatever they want, whenever they want it, unless it's illegal."

Suzanne Marta. "W. Dallas Had 3,000 Applications for 200 Positions"; "Whit, Whimzy Are Key Words for W. Staffers in Training." Retrieved June 10, 2006, from *www.hotel-online.com.*

GOALS OF ORIENTATION PROGRAMS

Goals of orientation include:

- *Provides an overview of the organization.* Many newly employed staff members want to know about their employer's history, size (e.g., number of locations and staff members), and the products and services it provides. They should learn about the results their new organization is attempting to achieve. Trainees may want to know how their organization adds value for its guests, to themselves, and to the organization's owners. Hopefully, a **mission statement** explains what the organization wants to accomplish and how it intends to do so. The mission statement should also serve as a guide for decision making and be used every day (and not just as an introductory page in an employee handbook or for a slogan on the managers' business cards).
- *Indicates the new staff member's role.* If you were a new staff member, would you like to see an organizational chart showing all positions including yours and the reporting relationships between them? Would you like to learn where you fit in and about promotion tracks if you perform well? You probably would, and new staff members do as well.
- *Explains policies, rules, and other information.* Staff want to know general guidelines, including days and hours of work, uniform requirements, break times, auto parking, and other similar information to help them feel more comfortable.
- *Outlines specific expectations.* Topics including responsibilities of the employer to the staff and of the staff to the employer should be addressed.
- *Provides details about employee benefits.* Staff members want information about nonsalary/nonwage compensation and the requirements to receive these benefits.
- *Motivates new staff members.* The enthusiasm and excitement exhibited by those providing orientation experiences are important. Orientation helps establish a solid foundation for the relationship between the organization, its managers and supervisors, and the new staff members.

Mission statement: A strategic statement that indicates (provides an overview of) what the hospitality organization wants to accomplish and how it intends to do so.

Taken together, the benefits of effective orientation programs can eliminate confusion, heighten a new staff member's enthusiasm, create favorable attitudes, and, in general, make a positive first impression.

Properly conducted orientation sessions address many concerns of new staff members. Managers should encourage questions and recognize their role as they provide an appropriate welcome to the organization.

Orientation is the first step in training, and it must be well-planned and organized. In smaller organizations, orientation may be the responsibility of the new staff member's immediate supervisor. In large hospitality organizations, there will, hopefully, be a cooperative effort among staff (human resources) personnel and line department supervisors or others. The new employee's supervisor, for example, can assist in the orientation program as he or she reviews the organization chart and position description and previews the training program(s) in which the new

IT'S THE LAW!

Employers are required by law to obtain some information from new employees, and this may be done during orientation. Examples include federal, state, and/or community withholding tax information, and immigration and naturalization documentation and age verification (for minors), if this was not provided (finalized) during the selection process.

Legal problems might be avoided if some information is provided to employees during orientation (or at another early time in their employment). Examples include information about the employer's sexual harassment complaint procedures and about Americans With Disabilities Act (ADA) concerns. (*Note:* Sexual harassment is discussed in depth in Chapter 10; ADA concerns are explored in Chapter 2.) Also, many hospitality operations that sell or provide alcoholic beverages begin their emphasis on responsible service during their orientation program. This helps establish a priority for their concern, and it establishes a record of consistent and ongoing emphasis that could be of significant help in defending the organization if lawsuits arise.

Effective Orientation Programs Address Staff Questions

Think about the types of questions and concerns you might have had when you began working for a new organization:

- Where do I fit into the organization?
- Where and how can I contribute my time and talents?
- What are my duties?
- What are my rights?
- What are my limits?
- How can I advance (and to what positions) within my new organization?

Effective orientation programs consider these and related questions to reduce the stress and anxiety that many new employees have during their first days on the job. In the process, orientation programs help establish a relationship between the new staff member and the organization that will have a significant impact on their subsequent on-job success.

Some large hotels conduct orientation sessions for many new staff members one or more times weekly. What do you think this says about the organization's initial and ongoing interactions with staff members? *Courtesy Purestock*

Adaptation and Orientation: What's the Difference?

This chapter began by discussing adaptation: the process by which new employees learn the values of and "what's it like to work for" the hospitality operation during initial job experiences. Adaptation, then, relates to an employee's internal concerns and how they are (or are not) addressed during early activities that include but are not limited to orientation. In contrast, orientation relates to the process used by the organization to provide basic information that must be known by staff members in every department. The best hospitality managers consider and, to the extent possible, address the adaptation concerns of new employees into their orientation programs. This important task becomes much easier when existing employees who have completed the property's orientation program (and who have had their adaptation concerns adequately addressed) help to pass on the desired perspectives to new hires.

Orientation kit: A package of written materials given to new employees to supplement the oral information provided during the orientation session.

staff member will participate. Regardless of property size, the basic concerns to be addressed by orientation are the same, because the basic needs and concerns of a new staff member do not differ when they are employed by large or small organizations.

USE AN ORIENTATION CHECKLIST

Careful planning of an orientation program is important. Figure 5.2 illustrates a checklist that identifies many concepts that can be addressed in an orientation program.

It is important to assemble all needed materials required before the orientation session begins. Some hospitality operations include these in an **orientation kit.** Examples of items that can be included in an orientation kit are listed in Figure 5.3.

ORGANIZATION INTRODUCTION

- ☐ Welcome new staff member(s)
- ☐ Present/explain mission statement
- ☐ Discuss history of organization
- ☐ Review types of guests served (if applicable)
- ☐ Note products and services provided
- ☐ Review current organization chart

STAFF MEMBER – RELATED POLICIES

☐ **APPEARANCE**

- __ Hygiene standards
- __ Name tag
- __ Uniform including shoes
- __ Jewelry

☐ **CONDUCT**

- __ Attendance
- __ Drug-free workplace information
- __ Respectful behavior required
- __ Harassment policy and discussion

☐ **JOB PERFORMANCE**

- __ Position description
- __ Work schedules
- __ Training programs
- __ Breaks
- __ Performance evaluation system
- __ Probationary period

☐ **EMPLOYEE BENEFITS**

- __ Vacation
- __ Leaves (personal, military, jury duty, emergency, other)
- __ Sick leave
- __ Education incentives
- __ Insurance programs (medical, dentist, life, disability, other)
- __ Workers' compensation
- __ Meals/uniform allowances
- __ Other: _____
  _____
  _____

☐ **COMPENSATION INFORMATION**

- __ Salary/wage
- __ Pay periods; pay day
- __ Procedures for checking in and out of work shifts

FIGURE 5.2: Sample Orientation Checklist

__ Holiday pay
__ Overtime policies
__ How and when pay is received
__ Compensation increase policies

☐ **SAFETY CONCERNS**
__ Safety training
__ Emergency situations
__ Fire prevention, control, and evacuation
__ Food safety training (general; if applicable)
__ Reporting hazards
__ Reporting injuries

☐ **OTHER ORIENTATION INFORMATION**
__ Smoking
__ Access to facility during nonworking time
__ Personal time
__ Work permits (minors and non-United States citizens)
__ Use of alcohol and drugs on the job

☐ **PHYSICAL FACILITIES**
__ General tour
__ Employee restrooms/lockers
__ Employee dining area
__ First aid
__ Employee entrance
__ Other: _____
_____
_____

☐ **OTHER ORIENTATION ACTIVITIES**
__ Provide employee handbook
__ Answer questions
__ Preview departmental induction and training programs
__ Other:
_____
_____
_____

*Note: if the employees are represented by one or more unions, an overview of union relations information should be provided to applicable employees (see Chapter 12).

FIGURE 5.2: (*Continued*)

Current organization chart
Copy of employee handbook
Copies of employee performance appraisal forms/procedures
Current copy of employee newsletter
Federal, state, and local tax law materials
Layout (maps) of facility (large properties)
Accident prevention guidelines

FIGURE 5.3: Sample Contents of Orientation Kit

When Does Orientation End?

Typical staff member orientation sessions require several (or fewer) hours or, perhaps, a half day (or longer). However, they generally conclude without follow-up sessions. Some hospitality organizations schedule additional orientation sessions several weeks or even longer after the initial session(s). By this time, staff members are familiar with their organization, department, and position. Based on their on-job experiences, the new employees can ask additional questions, participate in discussions, and learn about topics including guest service and teamwork that can be better addressed and understood with personal knowledge of the organization.

Human Resources MANAGEMENT ISSUES (5.2)

"I wonder what I'm getting into now," thought Daren, as he parked his car and walked through the parking lot. He had accepted a position as a cook in the foodservices department of a large hospital.

"I've cooked at several restaurants, and I have learned a few things: I like to cook, to be creative, and to work with a great team that feels like I do," were his next thoughts as he neared the entrance closest to the parking lot. "However, I've never worked for a healthcare facility. While it sounds good (e.g., great working hours, higher pay, and better benefits), I don't know about the environment with a lot of patients who are going to be depending on me."

As he walked closer to the building, he saw a sign: "Patient Entrance – Straight Ahead; Visitors' Entrance – Turn Left; Vendors Proceed to Purchasing Office."

"Well, what do I do now?" thought Daren. "I'm not a patient, I'm not a visitor, and I'm not selling anything. I guess employees know where to go, and they don't need a sign. So what should I do now?"

QUESTIONS

1. What would you do now if you were Daren?
2. What special orientation tactics can best help Daren and others without previous healthcare experience adapt to the unique environment?
3. Should an initial tour of the hospital include all areas, or just those in which Daren will be working? Why?
4. Assume the hospital's orientation process is excellent (except for the oversight about not telling Daren where to report to work). What do you think will be the major differences between this orientation program and a similar (excellent) one in a restaurant?

DEPARTMENTAL INDUCTION PROCEDURES

Induction: The process of providing new employees with basic information that everyone in their department must know that is unique to their department.

Induction relates to the process of providing new employees with basic information that everyone in their department must know that is unique to their department. For example, everyone in the hospitality operation must know about compensation policies and procedures and the importance of guest service. This information should be part of the orientation program. However, perhaps only food production personnel must know about kitchen workflow concerns, and, in a hotel, only front-office personnel may need to know about different classifications of hotel guests.

New employees should arrive at their department when there is time for an organized and orderly induction. Contrast this with the unfortunate situation that often arises when a new employee begins work during a busy shift and is expected to immediately become a productive member of the team. Our earlier discussion of the new employee adaptation process addressed the impact of initial experiences. An unplanned induction program can quickly destroy the benefits gained from an effective orientation program.

What concerns can be addressed in an induction program? Figure 5.4 presents a checklist of possible activities.

DEPARTMENT INDUCTION CHECKLIST

- ☐ Department introduction
- ☐ Department mission statement
- ☐ Review of department organization (positions and current incumbents of management/supervisory positions)
- ☐ How department impacts other departments
- ☐ Position duties and responsibilities
  - __ Provide/review current job description
  - __ Explain importance of position and its impact on other department positions
  - __ Review performance standards and evaluate methods
  - __ Work schedules (days/hours)
  - __ Overtime needs (if any)
  - __ When and how to request assistance
- ☐ Policies and procedures
  - __ Emergencies
  - __ Safety precautions and accident prevention

FIGURE 5.4: Sample Department Induction Activities Checklist

__ Reporting hazards
__ Sanitation concerns (if applicable)
__ Smoking and eating policies
__ Recording time and attendance
__ Breaks
__ Personal telephone calls
__ Performance appraisal procedures
__ Other: _____
_____
_____

☐ Department tour
__ Fire alarms
__ First aid kits
__ Restrooms and lockers
__ Bulletin board
__ Time clock (if used)
__ Employee entrances
__ Smoking areas
__ Explain workflow (work station layout)
__ Major equipment location
__ Other: _____
_____
_____

☐ Introduction to department employees
__ On-job managers/supervisors
__ Other on-duty employees

FIGURE 5.4: (*Continued*)

ORIENTATION FOLLOW-UP

Use of orientation and departmental induction procedures such as those outlined in, respectively, Figures 5.2 and 5.4 will take more time and effort than is spent by some hospitality organizations. However, a comprehensive program assists with an effective employee adaptation process that yields committed staff members.

Orientation follow-up activities are also important. It is not sufficient to say, "If you have any questions, just ask someone," or "Just assume you're doing okay

unless someone tells you differently." New staff members should understand they will be participating in a well-organized training program designed to help them perform job tasks that meet standards.

The trainer may or may not be the same staff member who provided orientation and induction information. If so (which is typical in a small operation), this

Human Resources Management: CURRENT EVENTS 5.2

BASIC ORIENTATION PRINCIPLES APPLY TO ALL HOSPITALITY SEGMENTS

The most important principles in facilitating the work of staff members are universal, although they do vary by industry segment or between industries. One reason is that people are people, and they have the same basic concerns and react in the same basic ways to the situations in which they find themselves.

Consider these keys to an effective orientation program:

- Plan the orientation program to ensure that it is organized and consistent.
- Prepare an agenda that includes meeting and greeting other coworkers.
- Inform current coworkers about new staff members. (E-mail messages are one tactic.)
- Provide essential information before the new employee's first day at work. Make new staff members feel comfortable by informing them about simple things: Where should they park? What entry door should they use? Who and where will they meet when they first arrive?
- Use more than one presenter for orientation sessions.
- Spread the orientation program over several days (or longer).
- Provide material that new staff members can take home to review, to reexamine, and to determine whether questions are appropriate.
- Solicit feedback about the evaluation process so the program can be continually improved.

Each of these principles represents a no- or low-cost procedure to help new employees feel welcome to and good about their recent employment decision.

Denise Moretti. "Corporate Orientation Programs: Retaining Great People Begins Before Day One."*Note:* The author represents the Hamister group, an organization that managed assisted living and healthcare properties before expanding into the hospitality industry. (To view the article, go to: *www.hotelnewsresource.com*. When you reach the site, enter the author's name into the search box.) A lesson to be learned: Human resources aspects of orientation in the healthcare industry are similar to those in the hospitality industry.

provides an opportunity for continuity as the orientation–induction–training processes evolve. When different staff members are involved (as is likely in a large organization), those involved in orientation and induction can still offer genuine enthusiasm and provide follow-up assistance as requested. They can regularly check back with the new staff member and answer questions that arise after the orientation and induction procedures have concluded.

You've learned that these early on-job experiences are important for the employee and the organization. Therefore, they should be evaluated to determine if they are cost effective (worth more than what they cost) and whether improvements are possible. Feedback from new staff members several months (or longer) after they have completed these initial on-job activities can help. Perhaps they can complete unsigned surveys or participate in interviews conducted for that purpose, or as part of more general efforts to receive employee input about operational improvements. Exit interviews of departing employees may also be helpful.

Employees will, one way or another, learn about the organization, their position, and their employer's expectations. It is better for them to acquire this information through a formal, planned, organized, and hospitable orientation effort than to pick it up in casual conversations with and by watching peers on the job.

Employee Handbooks

3. Note the importance of employee handbooks, and list typical policy and procedure topics that might be included in them.

Employee handbooks are personnel management tools used in hospitality organizations of all sizes.

EMPLOYEE HANDBOOKS ARE NECESSARY

As you learned in Chapter 3, an employee handbook is a centralized source of information detailing an employer's policies, benefits, and employment practices. It is typically distributed and discussed when new employees receive their general orientation. This enables staff members to review information presented during the orientation, and it provides other information that, because of time limitations, may be best presented in this manner.

Employee handbooks must be current (and kept current), and they must be correctly and professionally presented. Clean and current copies make a better statement about the hospitality organization and the importance it attaches to providing employee information than do handbooks that appear to be thrown together haphazardly. *Note:* Some organizations make their employee handbook

IT'S THE LAW!

Can policies contained in employee handbooks be considered a contract that must be followed without exception or, alternatively, are they guidelines that generally explain requirements and how staff members are normally treated?

Employee handbooks or policies in them might be considered a binding part of the employee relationship if the policy language is such that an employee could reasonably believe a contractual offer was being made. Careful wording is required to help assure that employees will not construe policies to be contractual promises.

One of the most significant legal concerns relates to the employment at-will relationship that exists when employers can hire any employee they wish, and dismiss that staff member with or without cause at any time. (The employee can also elect to terminate the work relationship anytime that he or she decides to do so.) Mixed messages can be created when, for example, handbook policies specify detailed discipline and discharge procedures that must be followed before termination. As well, if statements such as "our employees are our family" or similar messages are made, readers might perceive them to supersede at-will disclaimers.

available on the company's intranet. This makes it readily available (copies will not become lost) and easy to update.

Employee handbooks tell new and all other staff members about the organization. They detail all policies and procedures to which the employer and employees agree, and they can be referenced by courts seeking to define terms of the employment agreement if disputes arise.

Typically, employee handbooks should indicate that the hospitality operation has the right to modify, alter, or eliminate any or all contents at any time. Further, it is important to indicate within the manual that it is not a contract. The organization's attorney should be consulted as the employee handbook is developed and, most certainly, before it is circulated.

IMPORTANT POLICIES AND PROCEDURES ARE IDENTIFIED

Figure 5.5 lists a wide range of topics that might be applicable to hospitality organizations and that might be addressed in an employee handbook. However, not all topics are relevant or useful for all properties.

Absenteeism
Accessibility for Disabled
Accidents
Accrual of Vacation
Advancement
Alcohol Testing
Americans with Disabilities Act
Announcements of Openings
Appearance and Grooming
Appraisal
Attendance
Awards
Badges (name tags)
Benefits
Bereavement Leaves
Bids
Breaks
Call-Back Pay
Call-Out Pay
Changing Departments
Child Care Leave
Code of Ethics
Commendations
Commercial Driver's License
Compensation
Competence
Complaints
Compliance
Computer Use (Personal)
Concerns
Conferences
Confidentiality
Conflicts of Interest
Consultants (Use of)
Continuing Education
Controlled Substances
Conventional Standards of Workplace Behavior
Corporate Compliance
Counseling
Criminal Convictions
Customer Service
Dental Insurance
Department Transfer Questionnaire
Differentials
Disability Insurance
Disciplinary Process
Discrimination Claims
Displacements
Dress Code
Drug Testing
Drug Use
Drug-Free Awareness Program
Drug-Free Workplace
Drugs
Educational Assistance
Educational Leave
Emergency Plans/ Preparedness
Employee Assistance Program
Employee Badges
Employee File
Employee Identification Program
Employee of the Month/Year
Employee Performance Appraisal
Employee-at-Will
Equal Employment
Ethics
Evaluation
Exit Interview
Expenses, Noneducational
Extended Sick Pay
Family Medical Leave Act
Fitness for Duty
Funeral Leave
Gifts/Gratuities
Grant Employees
Grants
Grievance/Complaint Procedures
Harassment
Health Insurance
Hiring
Hiring of Family Members
Holidays
Hourly Associate Forum
Hours of Work
Identification
Industrial Injury
Integrity
Investigation
Job Evaluation
Job Opportunities
Job Postings
Job Qualifications
Job Rotation
Job Vacancies
Jury Duty
Layoffs
Leave of Absence
Leaves
Leaving Department
Leaving Employment
Lockers
Lost Time Claims

FIGURE 5.5: Sample Employee Handbook Topics

Meal Allowance/Periods
Medical Claims
Military Leave
Modified Duty
Multiple Employment
New Jobs
On-Call Pay
Orientation Period
Overtime
Overtime Pay
Paid Holidays
Parking
Pay and Pay Periods
Payroll Deductions
Pension
Personal Business
Personal Code of Conduct
Personal Holidays
Personal Leave
Personal Records
Posting
Probationary Employees/ Periods
Problems
Professional Dues
Professionalism
Qualifications
Qualifying Periods
Recall
Recording Work Time
Recruiting
Reference Checks
Relationships (on-job)
Resignation
Retirement Programs
Return of Organization's Property
Return to Work
Safety/Security
Salary
Schedule Posting
Scheduling Vacation
Seniority
Seniority Calculation
Service Awards Recognition Program
Severance Pay
Sexual Harassment
Sick Pay
Sick Time Accumulation
Sick Time Buy-Back
Smoking
Staff Reductions
Suggestions
Tax-Sheltered Annuity
Telephone Calls (Personal)
Termination
Time Off without Pay
Training
Transfers
Transportation Allowance
Transportation Work Program
Travel
Tuition
Tuition Grant
Tuition Reimbursement
Uniforms
Vacancies
Vacation Accrual
Vacation Banking
Vacation Pay
Vacation Scheduling
Vacations
Violence
Voluntary Time Off
Wages
Weapons
Weather (inclement)
Work Rules
Work Time
Workers' Compensation

FIGURE 5.5: (*Continued*)

Managers can use a questioning approach to help assess what topics could be useful. Do new or longer-tenured staff members have questions about issues related to the topic? Is there an inconsistent understanding about how, if at all, an issue is managed from the perspectives of subordinate staff? These and related questions, when answered affirmatively, may determine the need for new or revised policies and procedures.

Keep Employee Handbooks Current

To be useful, employee handbooks must be kept current. While this appears obvious, busy hospitality managers sometimes replace written policies and procedures recorded in an employee handbook with understandings based on "how we've done things lately." Changes typically begin with small breaks in or small discrepancies with procedures that go unchallenged. For example, a restaurant's uniform code requires solid-toed shoes for kitchen workers to prevent punctures from dropped knives and burns from spilled hot liquids. However, a cook occasionally, then frequently, and then always arrives at work in canvas tennis shoes. Bending the rules the first time may have no immediate consequences, but it establishes the precedent that this policy is not always necessary or, at least, that it is not important.

Small lapses in policies and procedures can lead to larger ones. They can send the message that policies and procedures can be disregarded when it is convenient to do so, and that they involve personal interpretation. Policies and procedures should be designed for a specific purpose and, if they are not necessary, they should be discarded or revised. They should, therefore, be consistently followed. To help prevent the inconsistent application of policies and procedures, several tactics can be used:

- Insist that standards be respected. Policies and procedures should be followed all the time, and their expectations should be consistently met.
- Have managers, supervisors, and employees role-model examples for their peers.
- Inform staff members about the reasons for the policies and procedures.
- Present information about the most important policies and procedures during orientation. Other policies can be discussed on an ongoing basis as part of in-service or other training programs.
- Educate staff members that compliance with reasonable policies and procedures is part of the agreement with, and relationship between, their employers and themselves.

Mentoring Programs

4. Identify basic concerns that should be addressed as employee mentoring programs are planned and implemented.

Mentoring is a relationship in which an experienced staff member provides professional advice to a less-experienced staff member. These activities can arise informally when a relatively inexperienced person solicits advice from an "old-timer"

Mentoring: A formal or informal relationship in which an experienced staff member provides advice and counsel to a less-experienced staff member.

about how the organization works. Mentoring relationships can also be more formal, such as when experienced volunteers receive training in mentoring activities and then interact with staff selected for participation in fast-track"career development programs. Sometimes a mentoring relationship lasts for a short while, or it can last for many years.

BACKGROUND

Several advantages can accrue to organizations with effective mentoring programs:

- Junior staff can more quickly learn about the organization's culture and how to act within it.
- Mentorees may have increased commitment to the organization because they are better assimilated into the corporate culture.
- Higher levels of job satisfaction can occur with the decreased chance that those being mentored will leave the organization.
- Problems that hinder the mentoree's current performance can be addressed.

Advantages can also accrue to mentors:

- *Enhanced self-esteem.* A mentor will likely feel good about the opportunity to provide advice and to make a difference.
- *Increased knowledge.* Mentors learn as they interact with mentorees.
- *Seen as good citizens.* Mentors may receive special consideration as their own careers are evaluated.
- *Helps to train successors.* Sometimes mentors cannot be promoted until someone is available to assume their position, and this can be the mentoree.

An effective mentor can serve several roles in interactions with mentorees:

- *Trainer.* Mentors who are queried about specific on-job performance issues can provide applicable assistance and serve as an informal trainer.
- *Coach.* Mentors can provide positive reinforcement about desired performance, and they may advise against actions that may lead to on-job difficulties, just as a supervisor does when coaching a staff member.
- *Counselor.* Counselors do not make decisions for another person but, rather, discuss the pro and cons of a situation. They ask open-ended questions to learn what the other person is thinking and, in the process, allow the other person to more clearly think things through. A counselor provides benchmark information that can help one to evaluate personal perspectives.
- *Guide.* Just as a guide safely leads someone who is unfamiliar with a geographic area to a destination, so can a mentor help a mentoree to move on to interim locations on the way to a longer-term destination (career).

Phases of Mentoring Relationship

It is not typical that a senior staff member begins to interact with a less-experienced counterpart and immediately gives free advice. Instead, time is required for a relationship of mutual respect to evolve and for the mentoree to appreciate and trust the mentor's judgment. The relationship between a mentor and mentoree can involve the same steps as building a friendship:

- *Introduction*. A mentoring relationship can begin by chance as two persons meet on the job, or it can begin more formally when a senior staff member is paired with a less-experienced person in a planned career development program.
- *Cultivation*. Time is needed for both individuals to get to know each other, to understand each other's position, and for the mentor to understand the context within which the mentoree is soliciting advice.
- *Redefinition*. Few relationships on the job remain the same. They typically grow stronger or weaker, and they sometimes end. At some point, the junior staff member may not require or desire advice. Conversely, mentors may have a lessened desire to continue in the mentoring role. By contrast, relationships can become stronger and evolve into lifelong (or, at least, career-long) opportunities to share information and to enjoy a mutually rewarding relationship.

- *Role model.* The old saying, "Actions speak louder than words," suggests that mentorees can learn much from their mentors just by observing them as they interact with others in the organization.
- *Advocate.* A mentor in a senior position can emphasize the strengths and abilities of a mentoree to those at higher organizational levels.

How exactly can a mentor assist a mentoree? Examples of mentoring activities include:

Career ladder: A progression of increasingly more responsible positions within an organization or an industry.

- Helping the mentoree to develop a **career ladder**
- Advising about development activities that can assist the mentoree to move toward career ladder goals
- Evaluating alternative education and training programs and courses of action to address on-job concerns
- Providing applicable reading materials
- Suggesting alternative courses of action that address on-job problems
- If applicable, making special assignments and arranging for special training
- Providing ongoing counseling

Ten steps can be used in implementing a formal mentoring program, which are outlined in Figure 5.6.

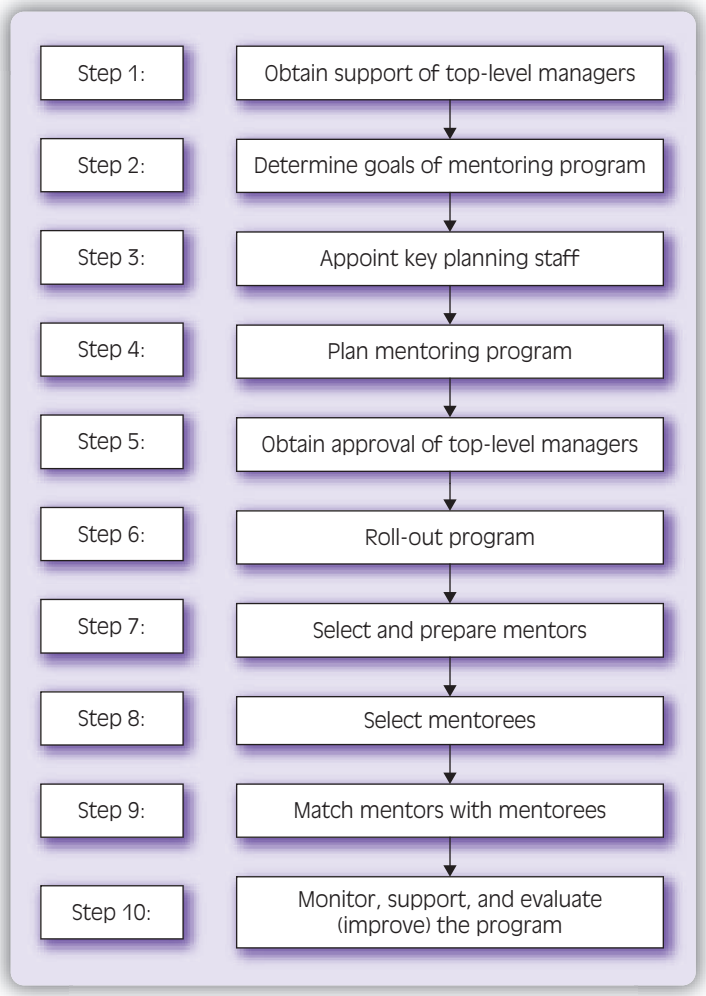

FIGURE 5.6: Steps to Implement a Formal Mentoring Program

Let's look at each of these steps more closely:

- *Step 1: Obtain support of top-level managers.* Human resources personnel, managers, supervisors, and others who support the need for a formal mentoring program should serve as its advocates to top-level officials. A discussion of the benefits noted earlier may help yield approval.

- *Step 2: Determine goals of the mentoring program.* Numerous goals including benefits to the organization, the mentors, and mentorees noted previously are likely to be among desired results.
- *Step 3: Appoint key planning staff.* Those interested in developing a mentoring program are likely candidates. The project could also be appropriate for consideration by a **cross-functional team** of persons who could bring differing perspectives to the planning process.
- *Step 4: Plan mentoring program.* Decisions will be required about how mentors and mentorees will be selected and paired, their responsibilities, the mechanics of how and when the parties will interact, topics for which mentoring discussions are appropriate, and how the program will be announced, administered, and evaluated.
- *Step 5: Obtain approval of top-level managers.* Interim input from these officials may have been provided; if so, approval is likely to be easier and faster. The mentoring program should be seen as beneficial, inexpensive to implement, and with few disadvantages that will require consideration as an approval decision is given.
- *Step 6: Roll-out program.* Program announcements, staff meetings, organizational newsletters, information in orientation programs for new staff, and conversations among managers, supervisors, and staff members are among promotion possibilities. The availability of and procedures for the mentoring program should also be an integral aspect of applicable career development programs.
- *Step 7: Select and prepare mentors.* Effective mentors are usually successful, high-performing staff members. They have a track record of successful performance over many years and, probably, in several (or more) positions. However, they may need to learn basic mentoring skills. The knowledge, skills, and abilities of effective mentors frequently include:
  - The desire to assist mentorees
  - An ability to think creatively and to suggest problem-solving alternatives to mentorees
  - The ability to motivate mentorees
  - Effective oral communication skills, including the ability to present, explain, organize, and defend suggestions
  - An interest in assisting the organization and the mentoree
  - An understanding of and ability to apply change management principles
  - An understanding of the organization's culture, and the ability to use this knowledge to explain, defend, and justify suggestions
  - Detailed knowledge of business and operating principles applicable to the organization

How should mentors be prepared for their role? Topics to be addressed in training sessions can include a discussion of:

- Mentoring goals of the organization and for the mentor and mentoree
- Critical attributes of the mentoring relationship

Cross-functional team: A group of staff members comprising representatives from different departments (functional areas) that address a common concern.

- Suggestions for determining the mentoree's needs and for generating alternatives that address them
- Training and career development opportunities within the organization. If applicable, a special emphasis should be placed on fast-track and other programs that include a formal mentoring component.
- Training in communication skills including active listening techniques
- Relationship skills
- Effective coaching tactics
- Problem-solving and conflict resolution suggestions

- *Step 8: Select mentorees.* In informal mentoring programs, less-experienced staff may simply request that a more-experienced counterpart discuss issues of concern. Some organizations have mentor open-door policies, where any staff member with a question or concern can seek out a more-experienced person on an ad hoc or continuing basis. In a more formal model, fast-track staff are assigned a mentor, and this input is an integral part of their planned career development program.
- *Step 9: Match mentors with mentorees.* Considerations in matching mentors and mentorees can include close proximity (same location) and the extent to which the mentor has held similar positions to that of the mentoree. In some

Ground Rules for a Mentoring Relationship

The environment within which an effective mentoring relationship exists is one of mutual respect and trust, productivity, and safety (comfort). Ground rules for managing the mentoring partnership can help ensure that this environment continues. Examples of mentor and mentoree agreements can include:

- How and when meeting times are established.
- How discussion topics are determined.
- How disagreements, if any, should be resolved.
- What, if any, contact should occur between scheduled meetings.
- Statement of confidentiality: Neither the mentor nor the mentoree should share each other's confidences without mutual approval.
- Meetings are treated as a priority, and each person's full attention is concentrated on them.
- Honesty is important.
- Humor, if used, is respectful and appropriate.
- Anecdotes of past mentoring and learning experiences are shared.
- The mentor is supportive, not controlling.

instances, gender match and/or a common ethnic, racial, class culture, or class background may be judged to reduce barriers that hinder trust. As well, observers typically suggest that mentors not be a staff member's immediate supervisor or trainer.

- *Step 10: Monitor, support, and evaluate (improve) the program.* Mentoring efforts, once implemented, should be evaluated to ensure that they are cost effective and that they are achieving planned results. Also, like many other programs, continuous quality improvement (CQI) efforts are helpful to ensure that the mentoring effort better meets the needs of the organization, the mentors, and the mentorees as it evolves.

Human Resources and Ethical Concerns

5. Discuss the role of ethics in the management of human resources.

WHAT ARE ETHICS?

Ethics: A set of rules or principles that define what is right and what is wrong as decisions are made that affect others.

Business ethics: Refers to the practice of ethical judgment by managers as they make decisions affecting the organization.

Behavior, ethical: Actions in concert with generally accepted social concerns relating to the impact of decisions on others.

Behavior, unethical: Actions not in concert with generally accepted social concerns relating to the impact of decisions on others.

The concept of **ethics** relates to a set of rules or principles that define what is right and what is wrong. Unfortunately, these definitions can vary considerably based on the individual making the determination. Society, through its body of laws, does not become involved until something is illegal. It is clear that something illegal is also unethical, but something can be legal and unethical. For example, it is legal for a human resources manager to show some favoritism toward a specific employee when determining who should attend a convention in a desirable out-of-town location, and the same manager might legally assign undesirable projects to an employee he or she dislikes. However, disregarding the morale and supervisory implications of these decisions, are they ethical?

It is important that persons make ethical decisions in their personal lives, but the practice of **business ethics** is of important concern to hospitality managers. Professional managers consistently practice **ethical behavior** and avoid **unethical behavior.**

The American public has probably always been concerned about ethics. However, today, after recurring news events about numerous business organizations and political corruption and abuses at all governmental levels that most persons believe to have serious ethical consequences, these concerns have never been more significant.

While ethical conduct is required at all times, the difference between what is right and what is wrong is sometimes difficult to distinguish. Consider the following examples:

- A purchasing agent for a large hotel receives some free tickets to a sporting event from a regular supplier. Does this illustrate a situation where the purchasing agent benefits and no one loses? Can the purchaser's future decisions about product purchases be affected?

- Top-level managers are offered (and accept) significant salary increases, while wages for hourly staff are kept minimal because of the organization's financial difficulties.
- Organizations increase employee benefits, but eliminate many full-time staff, and begin to utilize more part-time workers who do not qualify for the benefits.

Can these issues be addressed ethically, and can (or should) the social responsibilities inherent in the situations be considered? Perhaps so—but perhaps not—and the answer depends on the individuals confronted by the situation. The availability of a code of ethics can guide them but, unfortunately, ethical codes are disregarded in many cases.

Some writers have offered ethical principles for hospitality managers that should be followed when decisions are made. These include:

- *Honesty*. Don't mislead or deceive others.
- *Integrity*. Do what is right.
- *Trustworthiness*. Supply correct information, and correct any information that is not factual.
- *Loyalty*. Avoid conflicts of interest, and don't disclose confidential information.
- *Fairness*. Treat individuals equally; be tolerant of diversity.
- *Concern and respect*. Be considerate of those impacted by decision making.
- *Commitment to excellence*. Do the best you can do.
- *Leadership*. Lead by example.
- *Reputation and morale*. Work to enhance the company's reputation and the morale of employees.
- *Accountability*. Accept responsibility for decisions that are made.[1]

Other writers address factors that can serve as ethical norms.[2] For example, one or more of the following factors can be considered as decisions are made:

- *Utility*. To what extent does a specific act generate benefits for those affected?
- *Rights*. To what extent are the rights respected of persons involved as decisions are made?
- *Justice*. Is a decision fair?
- *Caring*. Does a decision consider the responsibilities that individuals have to each other?

As one reviews these recommendations, it becomes clear that it is much easier to make the statement, "Hospitality human resources managers must be ethical, and they do so by consistently practicing ethical behavior," than it is to define more specifically what the statement actually means. Given this significant limitation, most top-level hospitality leaders claim that their organizations give a priority to making ethical decisions.

An organization's culture may support and reward its members for making decisions that reflect ethical concerns or, alternatively, it may provide no benefit to those who do so. In extreme instances, the culture may even reward those who make unethical decisions. Examples include some organizations that have, historically, ignored protections mandated under Equal Employment Opportunity Commission (EEOC) laws, and some lodging organizations that have emphasized expansion in remote geographic locations without regard for the affected citizens of the area or the environmental impact of their expansion.

Human resources managers should recognize that their behavior often speaks more loudly than the philosophy expressed in their organization's mission statement. Consider managers who specify food portions that violate truth-in-menu laws, their peers who raise hotel room rates in times of emergencies in states where it is legal (but perhaps not ethical) to do so, and managers in all segments of the hospitality industry who exaggerate benefits in marketing and advertising messages. Might employees think that, "If the manager does those things to our guests, he or she will also do it to me?" At best, this is likely true and, at worst, it encourages staff members to violate commonly recognized ethical standards. These management actions may (or may not!) be effective in the short term, but they will likely be ineffective over longer time periods. Consumers and employees desire to, respectively, purchase products and services from, and to be employed by, hospitality organizations that are genuinely committed to doing what is right for all of their constituents.

This chapter began by emphasizing the importance of helping new employees adapt to their new work environment because it was the right thing to do for the staff member and the best tactic for use by the hospitality operation. This provides an example of how concerns for others benefit the organization and, if necessary, provides an incentive to do so. When employee concerns are addressed in the culture of the organization, numerous benefits arise, and no disadvantages are likely to accrue. A paradox arises, however: ethical behavior benefits the organization, but some hospitality operations do not recognize the importance of ethical behavior when considering staff members.

CODES OF ETHICS

Code of ethics: A statement used by a hospitality organization to outline broad concepts to guide ethical decision making.

Many hospitality organizations develop and implement a **code of ethics** to provide broad statements to guide ethical decision making. As such, their intention is to provide a framework for decision making rather than to specify exactly what should or should not be done in a specific situation.

Hospitality organizations typically develop codes of ethics for several reasons, including:

- To identify a foundation of acceptable behaviors.
- To promote standards that should guide decision making.
- To provide a benchmark that can be used to evaluate potential decisions.
- To support the responsibility and obligations that decision makers have to constituents and to society.

The most effective codes of ethics exemplify the ethical commitment of the organization and how it will interact with others as it conducts business (in commercial organizations) or provides products and services to its constituencies (in noncommercial operations).

The best codes of ethics are developed specifically for the organization, and they utilize input from the staff members who will be expected to utilize the codes. Organizational leaders should identify the employee groups that will be bound by the code of ethics being developed, and they frequently include staff members at all organizational levels. Input should also be solicited from investors, vendors, and perhaps even other organizations in the community. Those who assist in the code's development should understand the organization's mission and be concerned about its commitment to a positive professional and community image. The support of top-level leadership is of obvious importance as codes of ethics are developed. They should be reviewed by legal counsel, and formal approval from the highest levels in the organization is required.

The tactics used to implement and educate staff members about a code of ethics are important. For example, an exhibit of the code that is hung on the walls at the headquarters office and used as a preamble for an employee handbook will do little good unless it is integrated into and actually guides the culture of the organization. It is also important to consider enforcement concerns that are applicable if or when the code is violated. A code of ethics is important, and its emphasis should last forever. It is not a program that begins and ends at specified times. All staff members should be held accountable for the behavior described in the code of ethics.

What topics might be included in a code of ethics? Figure 5.7 identifies typical concerns addressed in many codes of ethics.

Following are examples of topics commonly addressed in codes of ethics:

- Importance of guests
- Respect for individual staff members
- Need for honesty
- Relations with suppliers
- Compliance with the law in all matters
- Avoiding conflicts of interest
- Use of the organization's assets
- Confidentiality of proprietary information
- Political contributions
- Relations with competitors
- Reporting financial operating results fairly and honestly
- Business entertaining, gift acceptance, and bribes

FIGURE 5.7: Topics in Codes of Ethics

Ask Yourself the Following Questions

Asking the following questions can help one to determine whether a decision is appropriate:

- Is the intended action legal?
- Would I be proud to tell my family about my behavior?
- Would I be happy if my action was a headline in the local community or company newspaper?
- Can I live with myself if I implement what I am considering?
- Would I like someone to do this to me?
- Does the proposed action hurt anyone?
- Is the proposed action fair?
- What if everyone did it?

CORPORATE (SOCIAL) RESPONSIBILITY

Corporate (social) responsibility: Relates to an organization's efforts to address its commitments to all of its constituencies, including guests, employees, other businesses including suppliers, investors, and society, and the community-at-large.

Stakeholders: Groups, individuals, and organizations that are affected by an organization; also called *constituents*.

The concept of **corporate (social) responsibility** relates to the efforts of an organization to address its commitments to all of its constituencies, including guests, employees, other businesses including suppliers, investors, and society, and the community-at-large. These groups, also called **stakeholders,** are directly affected by the organization's action.

It is obvious that a hospitality organization must satisfactorily address commitments to its guests, employees, and investors. However, interactions with other businesses including suppliers should be carefully managed. (Recall the concern that codes of ethics should address supplier relationships.) It is also important that organizations act as good citizens in their specific communities and in society as a whole.

At this point, careful readers might be thinking, "While this is true, how exactly does corporate responsibility relate to the management of hospitality human resources?" The answer to this addresses two issues:

- *Cultural consistency.* Can an organization and its leaders be concerned about three constituencies (guests, employees, and investors) without being concerned about others? Doesn't the concept of business ethics noted earlier in this chapter apply beyond the organization itself? Those who shape an organization's culture in ways that attract and retain the most qualified staff members (the primary goal of human resources) will likely treat others in ways that mirror their concern for their staff members.
- *Employer-of-choice concerns.* Applicants are attracted to organizations within their community that have favorable reputations. In perhaps the most simple

example, networks of young people at high schools and colleges provide answers to questions for their peers such as "What's it like to work at specific restaurants, hotels, and/or other hospitality organizations within the community?" An organization's reputation is influenced by, and is known to, many persons beyond the market of current and potential employees. Consider, for

Human Resources Management: CURRENT EVENTS 5.3

TOURISM CODE OF CONDUCT GUIDES BEHAVIOR RELATING TO SEXUAL EXPLOITATION OF MINORS IN BRAZIL

The Brazilian hotel sector's first code of conduct has been adopted by 140 hotels that are affiliated with Accor's six chains, located in seven South American countries. It addresses a pioneering concern about a worldwide problem, and it was developed in response to the 100,000 cases of exploitation of minors reported every year in Brazil that involve sexual abuse and commercial sexual exploitation.

The code is designed to help protect children and adolescents, is written in three languages (Portuguese, English, and Spanish), and complies with Brazil's federal constitution, its Statute of Children and Adolescents, and other international agreements of which Brazil is a signatory.

The code contains seven principles related to each Accor hotel's commitment to:

- Developing consistent policies addressing any form of sexual exploitation of minors
- Informing, educating, and guiding all staff members about the policy, company actions, and applicable laws
- Establishing guest accommodation agreement clauses that explicitly declare the rejection of any form of sexual exploitation of minors
- Rejecting advertising that encourages sexual exploitation of minors
- Training staff members
- Committing staff to take precautions against commercial relationships with any business that is involved with the enticement and sexual abuse of minors
- Informing guests and hotel visitors about the organization's commitment to the protection of children

Hotel-Online Special Report. "Accor Hotels Has Designed a Tourism Code of Conduct to Guide and Regulate Its Ethical Behaviour Concerning the Sexual Exploitation of Minors in Brazil; Adopted by Accor's 140 Hotels in South America." Retrieved from: *www.hotel-online.com.* October 3, 2005.

Publicity: Free-of-charge information in the media that attracts attention to an organization.

example, the impact of positive **publicity** that arises as organizations participation in community activities and assist with (or take a lead in) addressing broad societal concerns.

Everyone benefits when hospitality organizations assume corporate (social) responsibility for their actions. Is this factor the primary concern of a young person applying for an entry-level position in a hotel, restaurant, private club, or other hospitality organization? Probably not (although it might prompt an employment recommendation from a concerned parent). Do those employed by an organization feel good when they hear and/or read positive things about their organization? Probably so. Would employees of a hospitality operation like to contribute their time and even money to worthwhile causes sponsored or coordinated by their employer? Many would.

You can see, then, that the extent of an organization's corporate responsibility can have an impact on the management of its human resources.

Today's society increasingly emphasizes that its organizations be good corporate citizens, and businesses do so as they:

- Assume a responsibility toward the environment by controlling (minimizing) the pollution of air, water, and land.
- Accept a responsibility of concern toward guests by staying clear of unethical and irresponsible business practices relating to consumers' rights, unfair pricing, and being honest with advertising messages.

Some Examples of Corporate (Social) Responsibility

It makes good business sense for hospitality operations to help to improve their communities. They can do so in many ways including:

- Contributing time and money to worthwhile community projects and charitable causes.
- Providing products and services during times of disasters and other emergencies.
- Participating in environmentally friendly initiatives such as recycling, conserving energy, and utilizing environmentally "friendly" packaging.
- Coordinating activities for employees that provide volunteer services for the community.
- Investigating and correcting supplier abuses of employees in international locations.
- Recognizing animal welfare concerns in agreements with food suppliers.

Human Resources Terms

The following terms were defined in this chapter:

Adaptation (to organization)
Orientation
Mission statement
Orientation kit
Induction
Mentoring
Career ladder
Cross-functional team
Ethics
Business ethics
Behavior (ethical)
Behavior (unethical)
Code of ethics
Corporate (social) responsibility
Stakeholders
Publicity

For Your Consideration

1. What is the impact of one's orientation experiences on his or her ability to perform work that meets required work standards?
2. What are some early-job experiences that you liked in previous positions you have held? Some that you disliked? How did each of these experiences impact your attitude about the organization, your manager/supervisor, and your position? What suggestions would you make to correct the things that you disliked about your early-job experiences?
3. How important do you think a code of ethics is for a small hospitality operation? How, if at all, is your response different for a very large hospitality organization?

Case Study: Human Resources Management in Action

"I guess there are advantages and disadvantages to being hired at the height of the busy season at a ski resort," said Sergio as he sat in the employee lounge with Patty during a well-deserved break. "I like my job in the maintenance department, especially the group I work with, and it's great to have all of the tools and supplies needed for routine maintenance. That has not been the case in some of my previous positions, and it really caused me to stress out!"

"We're all glad you're here," replied Patty, a housekeeping supervisor. "I didn't know what you would say now after I heard you talk earlier about your initial experiences with our resort that were less than perfect. I remember you telling me that you didn't know the location of the worksites for many of the maintenance tasks because the property is so large. I also remember you telling me how silly you must have looked to your peers because you didn't know specific maintenance tasks or the required tools for servicing some of our specialized equipment. In fact, you told me you had been here two weeks before you even met the department head."

"You're right," said Sergio. "The initial orientation process could have been much more organized and better delivered. If it was, I wouldn't have felt so awkward, and I could have better helped the resort by doing things right the first time without the need for lots of rework. I remember thinking a couple of times that they weren't treating me very well, and the fact that everyone appeared to be so busy, and they weren't doing it intentionally, didn't really soften my feelings. Since then, I guess I worked my way from a negative feeling to a neutral posture where I could take the job or leave it, to my present attitude that it's getting to be a better place to work."

"I don't think things would be very different in my housekeeping department," commented Patty, "if you started in the middle of the season. I guess I've always thought, incorrectly, that the excuse of being busy was accepted by new staff members. But now I can see that, as managers, we owe our staff members much more than promises that things will get better. I'm going to make some changes in my department and suggest to other department supervisors that they consider the need for changes in their departments as well. Thanks for the education, Sergio."

Dimension: Employer-of-Choice Concerns

1. How do you think most potential job applicants would react to the resort's reputation of "rough starts, but it gets better after you've been working there for a while"?
2. Many restaurant guests say almost nothing to friends if they have a good dining experience, but they say many things to contacts when they have inadequate dining experiences. Do you think the tendency to say a few nice things and lots of bad things is also true about one's experience with an employer? Why or why not?

Dimension: Human Resources Issues

1. Because the ski resort is so large, it likely has a human resources department. Is it possible that these specialists are not aware of their property's problems with orientation programs? If they are, what are reasons that they might not be more proactive in addressing issues? If they are not, what types of changes in the property's communication network might be appropriate?
2. What, if any, role should human resources personnel play in advising (improving) the orientation program? What should be the role, if any, of top-level managers?

Dimension: Employee Retention Issues

1. What impact, if any, do you think inadequate orientation programs have on employee retention rates?
2. How might you, as a department manager, better determine how, if at all, the quality of new employee orientation impacts the property's turnover rates?

3. Assume that you could prove a positive relationship between effective orientation programs and improved employee retention, and that it was cost beneficial to improve the orientation program. What potential responses might higher-level officials at this resort give in response to this information?

Internet Activities

1. General business and management resources contain information applicable to the development and implementation of orientation programs for personnel in the hospitality industry. For a good reference, go to *www.workforce.com.* When you reach the site, type "employee orientation" into the search box.
2. Human resources managers can obtain much online assistance as they develop employee handbooks. They can, for example, review sample handbooks, analyze and/or purchase hardcopy and software guides to develop handbooks, and review sample handbook topics. See, for example, *www.hr-guide.com* and *www.humanresources.about.com/od/handbookspolicies/.*

You can also review Web sites of organizations that sell handbook development resources and provide customized services.

3. The hotel industry is increasingly concerned about managing in a way that is environmentally friendly. To review current information about this topic, go to *www.hotel-online.com.* Enter "green hotels" into the Web site's search box.
4. Environmental concerns are also very important to the restaurant industry. For example, type "restaurant environmental concerns" into your favorite search engine. You'll discover numerous reports focusing on environmental issues, including sanitation and the environment, waste reduction and recycling, no-smoking concerns, managing hazardous waste, minimizing water pollution and energy consumption, reducing water usage, genetic engineering, organic foods, and a wide variety of other topics. An excellent example is *The Better Restaurant and Café Guide*, *www.kbeap.org/Resources/restaurantandcafe.pdf.*

Endnotes

1. See, for example, Christin Jaszayn and Paul Dunk, *Ethical Decision Making in the Hospitality Industry*. Upper Saddle River, NJ: Pearson/Prentice Hall, 2006. (See Chapter 1.)
2. Ronald Ebert and Ricky Griffin, *Business Essentials,* 4th edition. Upper Saddle River, NJ: Pearson Education, 2003. (See Chapter 3.)