# STAFF PERFORMANCE EVALUATION – COMPONENT OF STRATEGIC MANAGEMENT IN TOURISM ESTABLISHMENTS

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#### **Abstract:**

Modern managers are currently increasingly investing more time and energy in a more accurate understanding of the enterprise they lead. The usefulness of this understanding is essentially predictive, it is circumscribed to changing, reconstruction needs, or rapid and accurate response to the stimuli of extraorganizational environment. In relation to the content of the human resource management, we consider it useful to note three important features of this work: human resource management is action-oriented, human resource management is individual-oriented; human resource management is future-oriented. All these guidelines reflect the fact that vision related to the enterprise's staff has changed as a result of changes in the economic, social, psychological and ethnic context. This research has applications in the field of hotel management companies. Study results indicate that organizational culture is a significant predictor of organizational performance, due to the fact that a satisfied employee will be efficient at his/her job, as well as for the methods and techniques used in the human resource management. In a market economy, the enterprise operates under the conditions of a strong competition, both on domestic and foreign markets. Therefore, in order to have a profitable business, there is a need to create structures capable to anticipate the evolution trend, as well as structured and content changes on the market it operates. In this context, the strategic planning of the enterprise, including human resources, is the most important managerial activity with long lasting effects.

**Key words:** human resources, strategy, strategic management, career, performance.

JEL Classification: M21.

### 1. The importance of human resources strategies in tourism establishments

Human resources have become a strategic resource in the economy of any country that wishes to have added value in various sectors, but in certain areas, particularly. One of the areas considered important in the domestic economy is tourism, due to the fact that the customer satisfaction directly depends on the revenues of hospitality industry establishments. Human resources engaged in tourism do not have a proper training, nor the necessary skills for conducting such a business. Strategic management of human resources is a term designating an integrated approach of the human resources strategy development that will enable the enterprise to achieve its goals.

It is correlated with the term "strategy", which, as defined by Johnson and Scholes (1993) it is the "Direction and action amplitude of a long-term enterprise, aspiring to create a perfect match between the enterprise's resources and its changing environment, especially the markets, customers and beneficiaries, in order to meet the expectations of group of persons interested in the proper operation of the enterprise.

Strategic human resource management is an approach to decision making as regards the enterprise intentions and plans relating to labour relations between employees and enterprise, as well as to strategies, policies and practices of recruitment, training, career development, performance management, reward and employee relation management. Defining feature of the strategic human resource management consists in its integrated character: human resource strategies are generally vertically integrated with the company's business strategy and horizontally, with each other. HR strategies developed through a strategic human resource management approach are essential components of the economic strategy of the enterprise.

In the early 1980s, enterprise staff departments have progressively turned into HR departments, so that the term "human resources management" has gained ground in front of the term "staff management". This change in label makes us ask several questions

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regarding the nature of this transformation: does the evolution of the term correspond to a real transformation of concepts and practices in the field? By studying examples of the specialised literature, one can see several trends. On the one hand, research conducted on a number of enterprises in the UK shows that there can be only partial and fragmented changes, that can not be generalized and, on the other hand David Guest summarizes four directions that characterize human resource management: strategic integration, employee involvement, human resource flexibility and quality.

Through strategic integration, we understand the coherence between the enterprise strategy and human resource management: on the one hand, human resource management practices are considered as a means of achieving strategic objectives and, on the other hand, human resources are the elements considered in developing the enterprise strategy. Implementation of methods and procedures for human resources management are components of the strategic planning process, which is a factor in the enterprise performance. A second type of strategic integration relates to interferences between various practices of human resource management (staff recruitment, training, performance evaluation). A third type of strategic integration is that human resource management, as compared to staff management, grants greater importance to teamwork, one of its objectives being to make the managers aware of their responsibilities regarding human resource management practices.

Staff involvement is also a priority of human resources management in that it tries an employment of the enterprise staff to achieve the objectives set, as well as an identification with the enterprise values.

Human resources management is also taking into account the developing and maintaining into the enterprise of some "quality effectives", i.e. individuals with a high level of skill and competence. Human resources management allows for getting some quality performances, by setting performance standards in this regard, to be identified and accepted by all members of the enterprise. This quality can be developed through processes of selection, recruitment, training and performance evaluation, as well as by means of some private practices as "quality circles".

Strategic integration, staff involvement, adaptability and flexibility, as well as quality make distinctions, in the vision of D. Guest, between human resource management as compared to staff management. Techniques and systems carried out are not necessarily different from the conventional systems (defining functions, recruitment and selection, training, performance evaluation, remuneration). If these practices are sometimes similar, in the human resource management they will be so designed and articulated, as to encourage the strategic integration, employee involvement, adaptability and quality, within the enterprise.

Definition given by S. Michel to the involvement reflects very well the complexity of this concept: "involvement is defined as attachment to work, employee identification with his work. Involvement also takes into account the importance which the employee grants to his work, the place the professional life has in relation to the other concerns. Involvement also includes self opinion, as it conditions energy investments into employment field."

Individual involvement in the enterprise is based on self-image and on the importance granted to work in relation to other areas of life. This commitment is expressed through the behaviour of individuals and, especially, through work-related conduct. So far, it has not been found a well established relationship between engagement and productivity, or between involvement and job performance. Research shows that a strong involvement of staff is not required in all organizations, but rather in those organizations facing turbulent and uncertain environments or where performance is difficult to measure and quantify.

If the organization has to react very quickly to some changes in the environment and when it is difficult to develop, in a very short time, new rules and procedures for the coordination and control of activities, acceptance of all members of the enterprise to its goals and values, as well as the will to invest in job (profession) can lead to coordination of activities. This is the case of enterprises operating in the fields of services, audit and expertise firms, companies undergoing crisis periods, in which survival requires a rapid change. In these conditions, involvement is not a performance guarantee, but it may be useful in certain circumstances. Factors likely to promote employee involvement in the enterprise business are numerous and, most of the time, they are outside the enterprise. The main factors that determine a person's involvement could be re-grouped into the following categories:

- personal characteristics: age, sex, level of training, personality factors (value systems, expectations, needs for achievement), seniority in the enterprise;
- features related to the role of the individual within the enterprise: extent and stake of position, presence of conflicts (negative correlation with involvement), role ambiguity;
- structural characteristics own characteristics of enterprise structure. According to some authors, there is no clear relationship between the staff involvement and company size, presence of the union trade in the enterprise and the centralization of power. However, cut characteristics related to formalization and decentralization are related to involvement:
- as a socialization factor, work experience influences individual commitment as regards the enterprise to which he/she belongs. In addition to these, the re is also the colleagues' attitude towards the enterprise, a sense of fairness in terms of salary, management style, employees' participation in social activities of the enterprise.

# The main factors that determine a person's involvement:

- variables related to positions: variety of tasks, degree of autonomy within the position, communication and exchange opportunities, opportunities for development within the position and enterprise;
- variables related to hierarchical organization: leadership style, feed-back, decentralization, participation.

Staff involvement may be influenced by a number of factors not depending on the staff management. Whatever the actions taken by the enterprise would be, the staff's result in terms of acceptance and its conduct in the way of achieving some common objectives remains a random one. It has not yet been evidenced the direct causality relationship between the variables clearly identified and involvement and, in addition, it should be taken into account that a number of factors unrelated to the job may occur.

# 2. Recruitment, selection and employment of staff within "Orizont" Hotel

Placed under the majestic shade of Cozia Mountains, on the banks of the Olt river, considered by the great historian Nicolae Iorga the "Olt pearl" or "Sinaia Vâlcii" Calimanesti-Caciulata resort is one of the most beautiful in Romania, being famous for its hot springs, outdoor pools using thermal waters for treatment, the slightly negatively ionized air, building architecture, the numerous tourist attractions.

"Orizont" Hotel opened in 2006, after the reconstruction and modernization processes became a luxury class hotel (4 stars), which can meet the requirements of the most exigent businessmen. This is due to changes that occurred in the structuring and organization of the internal environment of the hotel, reorientation of staff policy, being admitted the importance of the human factor in the services sector.

Staff recruitment is a task incumbent on the Human Resources Department, which is designed to search for and find candidates for vacancies in the "Orizont" hotel. Tasks of the Human Resources Department in the recruitment activity are: drawing up the recruiting advertisements, maintaining relationships with the education establishments, to meet the candidates' demands of employment, to maintain the company's image in the recruitment – selection process.

Sources of recruiting the new employees can be: internal sources, which have priority within "Orizont" Hotel and external sources.

Internal sources are preferred to the external ones, an advantage of this type of recruitment being that it is cheaper compared to the other sources and employees already working in the hotel are well-known to the senior line managers.

Bringing the job vacancies to the attention of the employees is made via a written advertisement, displayed at the notice board from the canteen or the basement, where all employees have the opportunity to read it.

The announcement is made by the Human Resources Department and is disseminated made public before starting recruitment from the outside. It includes information on job title, skills needed for employment, selection criteria.

Also, recruitment can be also made from external sources of "Orizont" Hotel, through various means: advertisements printed in specialized newspapers and magazines, advertisements containing information on the number of vacancies, their type, job description, type of person sought, how the Human Resources Department may be contacted. Selection is choosing the best candidate for being employed on a position within "Orizont" Hotel. On the basis of this selection is the preparation of the candidate, its skills and ability to work.

Selection is sometimes made empirically, based on recommendations, interview presentation model, physical appearance of the candidate, or, scientifically, when the employer uses tests, questionnaires and practical tests as criteria.

To know which of these methods should be used, the hotel HR department is considering the job requirements and candidates' experience.

Several stages are undergone during the staff selection process, until it reaches a final decision.

The first step is represented by the sorting of letters of intent and CVs, filling in application forms, containing information on the qualification, professional training, education. After this, the respective person is called for an interview.

Interview is one of the most used selection methods within the hotel and by this, the candidate is given the opportunity to present himself/herself. In an interview, the head of Human Resources Department aimed at issues such as: appearance and physical skills, education of the candidate, his/her intelligence, motivations and interests, availability for the job in question.

At the end of the questionnaire, the interviewer will express appreciation whether the interviewed person meets the requirements or not and fills-in the possible date of commencement of work, the weaknesses and strengths of the candidate, the salary discussed, recommendations for other jobs, as well as other comments.

Another step of the selection is represented by tests and work samples to determine the quality of candidates that can be highlighted. Usually, knowledge tests, as well as medical tests are being used, as health and safety of the customers which whom employees get into contact are involved.

Following the final decision of employing the candidate, it follows its integration, which responsibility is incumbent on the direct superior, who informs the new employee on working conditions, task nature.

Employment is first made on a probationary period of three months, each person being made a presentation of the hotel, during the first week. They must receive all the information needed and accommodate themselves to the working environment.

Following the probationary period, a work performance shall be made, depending on which such person will continue the campaign work, or not.

Upon employment, each person shall sign an employment contract and an employment record book shall be prepared. He/she shall also take note of the hotel internal regulation policy, comprising compulsory employment issues.

All new employees must provide papers and documents needed for employment: graduation diploma, qualification diploma, certificate of criminal record, references from school or from the last job, medical records, employment application form, birth certificate, identity card and photographs.

## 3. Job analysis

One of the important objectives of the new human resources policies applied by the hotel is represented by the job redefining and analysis. Although positions are generally considered static entities, their redefining was necessary due to enterprise changes.

Analysis of jobs within "Orizont" Hotel is the process of establishing and transmission of information on the nature and specific feature of the job (set of skills, knowledge, abilities and responsibilities required to an individual in order to obtain performance on a certain position).

Data obtained following the analysis of positions are needed in many activities related to human resources, such as recruitment, selection and employment, career orientation, improvement, performance appraisal, establishing the reward system. All have to be based on a very thorough analysis of the jobs without which all these activities cannot be carried out.

Also, an important role in redefining the positions had the job specification, including the requirements relating to occupation, experience, training, physical and intellectual skills, decision-making, in order that such employee should achieve performance on a certain job. As a consequence of redefining jobs in 2013, the following have been found: job enrichment resulted in improvement of employee performance, but never a poor performance, job enrichment response was an increase in enthusiasm for the work and not reducing the interest, delays decreased and quality of work increased, changes can be more easily introduced due to the high level of labour flexibility.

### 4. Performance evaluation

After the recruitment and selection of the new employees and after their social and professional integration into the hotel staff, it takes place the evaluation of their performance obtained in such position.

Performance evaluation is to determine the extent to which the employees exceed their job responsibilities, identifying their weaknesses, potential and professional training needs.

With regard to performance evaluation, the hotel Human Resources Department has set the following objectives:

- employees' actual performance evaluation;
- improving current performance;
- establishing training requirements;
- establishing promotion plan;
- establishing improvement requirements for promotion purposes;
- material motivation of staff.

Performance evaluation at "Orizont" Hotel for the operating staff, is made periodically based on checking forms and the results will reveal the way they perform their duties.

Responsibilities incumbent on a job occupant are explained by the head of department or by an appointed person, by the time of his employment. The first performance evaluation takes place three months after the employment and the result can be: excellent, very good, good, needs improvement and insufficient. If the employee gets one of the first three grades, it means that the probationary period has ended and he/she will continue to work in the hotel. If the result is "needs improvement" or "insufficient", the employee will leave the company for good.

After 6 months of the end of the probationary period, another performance evaluation shall be conducted. After this, evaluation shall be made once a year, usually at the end of the year and, early next year the employee shall receive a bonus based on his/her performance.

At such a performance evaluation, the following factors shall take into account: quality of work, customer orientation, knowledge of issues needed for the performance of work, labour productivity, market knowledge, ability to develop working skills with others, ability to communicate verbally and in writing, teamwork, availability, response to change, employees' personal cleanliness and hygiene.

For the job of receptionist, at annual evaluation of an employee, it has been achieved a score of 3.91, enabling the evaluator to award the grade "very good". At chapter "Special Considerations", it has been recorded that excellent results are desirable in the future and such employee, on the basis of the result, will be given a bonus.

When evaluating the performance of an employee on the position of waiter for the purpose of promotion, a score of 4.72 points was obtained, thus resulting in the "excellent" grade, such employee being promoted on the position of rank chief and at "Special Considerations" chapter was recorded that the result of evaluation due to the favourable working environment and positive motivation. The employee has been admitted the professional merits by the direct superiors, being further able to be promote.

Selection of performance criteria was based on personality characteristics required to fill a specific job (from the job description- job specification), the responsibilities and types of activities specific to each position. The well structured and concise form can be applied both in case of employees who have direct contact with the customer and in the case of the "invisible" and the results are obtained quickly and easily; by using the arithmetic mean, they are easily comparable to standards.

After the actual evaluation, the results of employees ill be discussed immediately with them in an assessment interview in which the focus falls on their consultation on identifying ways to improve performance. Communication of results is done tactfully, so as to avoid possible negative reactions from employees. Also, the tested person is helped to understand how the evaluator reached to such conclusions and accept the criteria used. To be effective, performance evaluation should be integrated into an appropriate human resource management, whose fundamental features must be professionalism and fairness.

# Conclusions and recommendations on improving the staff policy within "Orizont" Hotel

As regards the afore-mentioned, the following measures are proposed to improve the activity: being part of the SC Călimănești-Căciulata, "Orizont" Hotel showed an excellent business in the few years of operation, "Orizont" Hotel is intended for business tourism, with a strategic position near important business center South-West Oltenia, brand awareness and quality of services provided at a high standard determined the recognition of Valcea hotel by a large number of foreign customers (businessmen, political personalities, sportsmen), as demonstrated by the continuous increase in the occupancy throughout the year.

Also, material endowments and the facilities are up to the international standards, offering large organization opportunities for different activities (meetings, conferences) within the hotel, various loyalty programs meet the customers' satisfaction (i.e. Priority Club) and facilities provided, aiming thereby keeping the old customers and attracting new, customers from all around the world.

The new internal structure of "Orizont" Hotel is a consequence of changes in the human resources policy of the tertiary sector enterprises in the last decade, where focus is on satisfying their own employees, because they, in their turn, through the quality of their work, should contribute to the hotel prestige among customers.

The good organization of the hotel employees is the merit of the management team leading the company. The team is mostly composed of young persons, receptive to all the changes that occur. Also, each employee has very well defined duties, placing great emphasis on quality of work, professional training, customer orientation.

From studying business, the hotel human resources department – of that party which deals with the job analysis, performance evaluation, promotion system, staff policy - it can be deducted that, between what the "Orizont" Hotel offers (a secure job, recognition of professional merits, a fair promotion system, satisfaction of working in a branded hotel) there is no difference and this is due to the fact that any action taken on the staff is considering the employee's motivation and satisfaction, in order that his/her work results should have a major contribution to the accomplishment of the corporate general objectives.

Considering the above mentioned, it may be found out that, in the "Orizont" Hotel, the role of the Human Resources Department to effectively lead and manage the enterprise's staff, so that employees should contribute actively, individually and / or collectively to the achievement of the hotel overall goals is achieved for a policy of valuing human resources, adaptable to the content of challenge of the new millennium economy.

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