

Labour Recruitment in the Hospitality Industry: a Different Lesson in the Sustainability of Small and Island States

Godfrey Baldacchino

Smallness and its consequences are generally understood to have implications on various features of the small social universe. My intention is to extend this concern to the sphere of human resource management. I therefore propose an investigation into how the condition of smallness has implications for relationships between people, particularly between manager and managed at work.

The chapter will draw on select comparative interview material relating to the issue of recruitment. The empirical fieldwork from where the material is culled was carried out by the author in two large luxury hotels, one in Malta and one in Barbados. The account and analysis suggest how the dynamics between managers and employees in the hospitality industry of developing micro-states may illustrate the idiosyncratic cluster of opportunities and limitations of operating in such a small-size and small-scale environment.

The compendium of obstacles and opportunities that seem to have a bearing on the labour-management relationship bear witness to an environmental wisdom, an attitudinal pattern inspired also by what the small-scale social environment has to offer. In this sense, one can propose a different and insightful perspective to sustainability concerning labour relations and human resource management in small-scale settings. The result is somewhat removed from the deterministic implications of globalization and homogenization current in much of the literature concerning tourism in micro-territories.

Sustainability

Sustainable development – that which meets the needs of the present without compromising the ability of future generations to meet their own needs – is a particular challenge for small and island states. These territories generally face an intensification of the problem of the management of finite space. Such micro-territories can be considered as laboratory test-cases in the clash between often conventional development strategy and environmental preservation. Many are unwilling prime candidates of global warming; and their problems are exacerbated by higher population densities and a cultural identification with the Western world which results in near continental consumption values. This notion of cultural identification also expresses itself in a 'welcoming society' orientation (Husbands, 1983) ripe for commercialization into a tourist industry.

Contemporary evidence suggests that natural beauty and exotic culture may prove to be marketable assets which certain countries possess as a comparative advantage. This holds true particularly for the world's smallest states and territories. The presence of sun, sea and sand in countries such as Antigua and Barbuda, the Bahamas, Barbados, Fiji, Maldives and Seychelles has resulted in the development of a flourishing tourist industry which remains the largest contributor to direct and indirect employment, exceeding in significance any other economically productive activity (Connell, 1988: 62, 1993; Legarda, 1984: 42–43).

Small and island states have figured rather prominently in fora debating the relationship between the tourist industry and such themes as commercialization of host culture, environmental management and socio-economic development (e.g. Bryden, 1973; de Kadt, 1979; Britton and Clarke, 1987; Lockhart *et al.*, 1993). Yet they owe their exposure mainly to the fact that they are plentiful in number or *multum in parvo* (Brookfield, 1975).

While the net foreign revenue and multiplier effects of tourism are significant and readily witnessable, the leakages and costs are less transparent. Developing economies in general are caught in a vicious circle whereby they bear many of the costs but few of the fiscal benefits accruing from the tourist industry. Their general inability to control markets, tour operators, airlines and particularly up-market hotel investment means that they tap only marginally the tourist financial flows (Britton, 1982; Dunning and MacQueen, 1982). This is especially the case for the smallest, typically most open economies, which are prone to manage a seasonal industry, dependent on a variety of conditions obtaining in one main tourist-generating country.

Meanwhile, as host destinations, they often have to bear the full cost of refurbishing the tourist plant. Tourism places strong physical demands on infrastructural, beach and marine resources. This strain appears to be inversely proportional to the smallness of territory (Worrell, 1982: 129). Indeed, many of these small territories annually receive many more tourists than the

number of resident population. Considerations of sustainable development appear especially critical to small island developing ecosystems (de Kadt, 1979: 16; Bennet and Towle, 1981: 22–23; Butler, 1993).

A Case for Distinctiveness

Therefore there are ample reasons to suggest that a case can be made for the conceptual distinctiveness of small and island states in considering the implications of tourism in the context of economic development. I would like to extend this suggestion into the terrain of human resource management. In this chapter the suggestion which I will seek both to qualify and to illustrate is that a small-size and small-scale environment such as a typical island state is also likely to manifest rather particular labour–management relations, relations which one may argue are bound to obtain to some degree in non-island, small-scale environments which constitute ‘social islands’ (Brunhes, 1920: 52; Braudel, 1972: 160–161; Pitt, 1980: 1052). These will impact on the tourism industry because of the prevalence of such relations in hotels.

Hotels are large employers in developing micro-states, rivalling factories as the largest job providers in the private sector. It should therefore prove interesting to examine whether and how the condition of small size and the consequences which it engenders are going to nuance labour relations. Furthermore, it is instructive to discuss how the resulting dynamics offer a different perspective to sustainable development in small and island states. The outcome is a resourceful, home-grown series of techniques which confront and even circumvent global, legal-rational tourism practices and standardized procedures.

Focus on Recruitment

Management and workers are already operating in a condition where they may not agree on what, why, when and how work should be done; but overriding this ‘contested terrain’ (Edwards, 1979) one can come across another set of tensions, those which deal with the management of the small-size/scale circumstance. Intimacy, totality and monopoly are factors exacerbated by the smallness effect and subsequently brought to bear, unwittingly or purposely, on and by system incumbents. These will be appraised below through an analysis of respondent views.

I will be discussing this proposition with reference to the issue of recruitment – the interface between the firm and the outside world. This exploration of recruitment practice is illustrative of the pervasiveness of the micro-state predicament on the productive operations embedded within it.

This analysis will be grounded in the context of interviews carried out in two luxury hotels (Baldacchino, 1993). The hotels in question are owned by foreign, transnational capital; they are relatively large and stable employers

in two developing micro-states, the Mediterranean archipelagic state of Malta and the Caribbean island state of Barbados. The countries were selected because they are likely exponents of a small-scale syndrome, since they readily manifest a potential towards intimacy, totality and monopoly. The hotels were selected as the focused milieu where labour–management encounters could be investigated for insights into the effects, if any, of operating in a small-scale environment.

The two properties will be referred to by two pseudonyms, Southern Bliss Hotel (SBH) in Malta and Tropical Dream Resort (TDR) in Barbados. Field-work material was collected from semi-structured interviews conducted by the author on site during summer 1991 (at SBH) and summer 1992 (at TDR). Some 80 respondents were interviewed in all, drawn equally from managerial and non-managerial cadres within the hotels' functional departments.

Mechanisms of brokerage

Obviously, word-of-mouth recruitment is not confined to small territories. People in the hospitality industry worldwide know well the value of such recommendations. Existing employees recruit newcomers without the management having to incur advertising costs. There is also a tacit recommendation process, with an existing employee recommending someone as a good employer, while the same employee recommends the applicant as a good worker (Boella, 1988: 67–68). The setting is therefore one of an 'extended internal labour market' where recruitment occurs 'through existing employees of the firm' (Manwaring, 1984: 161).

However, such activity needs to be seen in the small territory within the wider pursuit of brokerage functions carried out routinely by individuals. People are likely to know and interact regularly with a substantial percentage of the total domestic universe of human resources, and to get to know directly and incidentally about the needs of some and those of others; this also tends to be done with a more considerable degree of detail than in larger territories. To these characteristics can be added the phenomenon of the substantial role repertoire that one tends to come across in small developing societies, which in emulating the institutional framework of larger states may be forced to combine or widen specialisms by incorporating different tasks within a single individual's competence. This increases the number of markets in which one buys and sells services, and so widens the potential basket of interests or obligations that one needs to satisfy or that one has available to supply.

Micro-state citizens as brokers thus maintain the market of particular products. They may do so distinctively because of the manner in which totality, intimacy and monopoly reinforce each other.

Formality versus practice

Both TDR and SBH have an incorporated institutional procedure for recruitment. In both cases there are formal advertisements of posts on internal noticeboards and, failing this technique, a public call for new recruits:

‘Normally, for front office staff, we get applicants through the Hotel School. For administrative jobs, we advertise internally first and then we go to the external market and newspapers. Then to interviewing and screening.’ (Manager, TDR)

Outsiders turn up regularly to express an interest in joining the workforce:

‘We get applications even without having advertised posts. Such are kept on file for future reference.’ (Personnel Manager, SBH)

But the outcome may not be quite so formal and neat. Only two respondents, one in each property, claimed to have obtained their current job by responding formally to newspaper advertisements. The other interviewed employees admitted a different recruitment strategy. In both hotel properties, the most common eventuality is that employees have been used to recruit their own relatives and friends into the hotel:

‘Basically, recruitment depended on a request for a recommendation from someone working here. And then off they go and tell their cousins.’ (Manager, TDR)

Many respondents owed their jobs at SBH and TDR to the networks of relatives and acquaintances, good contacts and anonymous patrons in a position to pass a good word or authoritative recommendation on one’s behalf. Arguably, networks improve in quantity and quality as one gets older and accrues work and social experience:

‘I was unemployed. One of the supervisors at SBH knew my sister. She told her that I was looking for a job. The supervisor checked whether more staff was needed. I was told to come and apply. I started within 2 days.’ (Chambermaid, SBH)

And:

‘My mother used to work in the laundry department. She spoke to the Personnel Director and told him that one of her daughters was not working. Eventually he sent for me and that’s how I got here.’ (Housekeeper, TDR)

Reaping the benefits of small scale

The diagnosis needs to be informed by the environmental features that explain this recruitment practice. Both TDR and SBH, although medium-sized employers in their own right, are relative giants in the micro-state world. They are the largest private employers in their respective localities. They therefore recruit heavily from what are in essence ‘company towns’ where they command a practical monopoly of employment possibilities in a setting of near totality.

The arrangement looks innocent enough, perhaps even cost effective. The hotel managements are assured of a ready supply of labour which manages its own employment agency:

'If I were to resign, people would get to know that. They will start talking. And even before the advert is out, they are already phoning to apply.' (Assistant Manager, TDR)

With almost nowhere else to go and work in the vicinity, the hotels are also guaranteed a low turnover of staff:

'Employees will stay here for years and years; as long as one gets here, one stays here. They will not resign.' (Manager, TDR)

And:

'Having local labour to us is a great advantage . . . And the employees have no other place to go.' (Manager, SBH)

The hotels save on the training costs otherwise necessitated by labour turnover thanks to this situation, nor do they need to offer staff transport:

'Only 30 per cent or so of the employees have cars. But they all drive each other home. So there is no need for hotel transport.' (Director, TDR)

And:

'We are here bringing work to people, not people to work. Avoiding the costs of transportation to and from work also means a saving on foreign exchange (fuel, cars . . .).' (Manager, SBH)

Costs

However, there are other features of this condition about which the hotel managements have little to congratulate themselves. A total institution condition stands out immediately when one tries to get a leverage over the two hotels' human environment. First, so many of each worker's significant others – relatives, friends, same village acquaintances, fellow church members, hobby society colleagues, even bedfellows – are fellow workers:

'We have father-son combinations here; brother and sister; husband and wife teams. Marriage relationships are not so consistent and employees might have a wife at home but have a girlfriend within the TDR workforce. The acceptance of such liaisons creates a larger set of close relationships.' (Director, TDR)

And:

'Whether one likes it or not, some members of staff come from the same village, even from the same street.' (Manager, SBH)

Second, the two hotels are an integral part of the respective employees' broader social existence; they are embedded within the wider mesh of socio-political community affairs. At both SBH and TDR, employees visit the beaches at/near the two hotels in their free time to swim or talk to their

friends and relatives; in the case of SBH, to take family and friends out for a meal, drink or cabaret show. There is a continuous traffic across the properties as employees drive their relatives and friends to and from work.

At TDR, where the property dates back more than a century, employees have a feeling of ownership that has roots in childhood practices:

'When I was young, my brother and I used to run to the property boundaries and look inside. It looked welcoming. I thought that, if I had come to be a man, I would look for work at Tropical Dream.' (Manager, TDR)

TDR is a home away from home to most of the employees; it is looked upon with a certain feeling of possession. With almost 75 per cent of full-time employees (excluding expatriates) living within the parish where the hotel is located, it is no wonder that the hotel, though owned by a foreign multinational, may feel as local as the parish church:

'To the locals, this hotel is their whole life.' (Director, TDR)

The low levels of staff turnover, plus the existence of extensive family and kin relations working within the hotel, increase these feelings of owning the resort. In fact, out of 21 non-managerial employees interviewed, only 6 claimed not to have any close relatives employed at TDR. Typically:

'I have two brothers working here: And there is a pool attendant who is related to me ... and a waitress ... and a housekeeper as well.' (Laundry Washer, TDR)

And:

'I don't have any relatives working here, as far as I know. But if a cousin popped up, I wouldn't be surprised.' (Clerk, TDR)

A somewhat similar (albeit not as extreme) situation obtains at SBH. With the exclusion of the top management cadres (who are usually transferred on short assignments from one of the holding company's hotels to another) and of the housekeeping department (where the majority of the staff are female and uphold short-term, non-careerist work horizons), most employees have been at the hotel since its opening in 1982. There is very little job mobility. With relatively satisfactory conditions of work, there are few push factors to leave; and with an inelastic labour market and scant comparable employment alternatives in the area, there are few pull factors to entice movement either. Add to this the very slim chance of internal movement via promotion, because most supervisory posts are occupied by relatively young careerists, and the outcome is a quasi-closed, stagnant environment that is of managerial concern:

'Malta is small, its people are well known. This affects human relations. Most of us have lived for 9 years together. We get to know so much about each other: Families, hobbies, wives. ... This may have its negative consequences.' (Assistant Manager, SBH)

Relationship consolidation through consistent exposure and 'rubbing shoulders' in different circumstances and different role-sets has a bonding effect. As individual A realizes that individual B knows so many different facets of his/her social – and increasingly also private – life (and vice versa), the condition is ripe for a natural devolution into familiarity. The erosion of privacy and anonymity generates mutual intimacy almost automatically. In this way networks are forged, complementing those already established on the basis of kin. Intimacy is double-edged and management braces itself for the consequences:

'The best form of recruitment is word of mouth. But it has its disadvantages. It allows individuals to recruit networks into the enterprise.' (Manager, SBH)

And:

'I agree, there is a recruitment of allies via word of mouth. It remains the most powerful means of recruitment, as far as I'm concerned. Perhaps peculiar to TDR, there is some nepotism where you bring your family members in. I've seen it done. ... The power base and information chain is extended by this practice.' (Manager, TDR)

Discussion

The condition therefore reads as a tight labour market, with few avenues of escape by the hotel or its employees. The two hotels are reaping the full consequences of their relative isolation and absence of alternative, attractive employment. Recruitment is only the threshold and passport to the labour-management setting at the two hotels. The entry into employment at SBH and TDR is one expression of the importance of networking and good contacts in order to obtain desirable and scarce social goods.

This activity concurrently strengthens social obligations and widens/deepens the network's sphere of influence. Conscriptio of friends and kin and the deployment of networks intensify the likely resort to particularistic behaviour within the enterprise. The limited space for manoeuvre adds pressure to this resort by removing alternatives and increasing the stakes involved. We have here the converse of an 'informal apprenticeship system' whereby individuals, integrated within the social fabric which exists within the wider community, carry this fabric with them to their work (Manwaring, 1984: 168, 170).

Conclusion

In looking at the input of labour into the two hotels, both of which substantially represent foreign investment, already we have an insight into the conscription of the smallness or 'Lilliput effect' into what, from the homogenizing perspective of corporate headquarters, may appear to be simply another overseas operation. There are bound to be implications of such a

condition on other areas of the hotel operations – including security, discipline, promotion and dispute management.

It would not be surprising to find hotel staff emphatically insisting that the ‘Lilliput effect’ is either non-existent at their property or else totally under control. But this reaction is largely understandable because the implications of smallness are readily categorized as incorrect and wrong, infections which somehow need to be eliminated in the name of proper procedure (Baldacchino, 1994).

But a closer scrutiny may reveal that management itself enthusiastically adopts the rules of the lilliputian game, as indeed it must to exercise its ‘personnel function’ properly. In a strangely distorted interpretation of a hackneyed term, such behavioural responses entered into by people at work are in effect sustainable because they are driven and inspired by locale specificity.

Environmental wisdom, it seems, can pay handsome dividends. Considerations of sustainable development in small and island states are enriched by what could prove to be the indefatigable strategies of local, street-wise ‘human resources’. Rather than cultural identities being invariably homogenized into so many ‘sun, sand and sea’ tourist destinations, there remains room for the locals to manoeuvre the labour–management interface to their advantage, maintaining a fair share of idiosyncratic self-control, discretion and initiative. The power game at work in the hospitality industry is not necessarily and simply played according to transnational rules.

Acknowledgements

The author is grateful to Graham M.S. Dann, Keith G. Brown and Terry Stevens for their comments.

References

- Baldacchino, G. (1993) *Labouring in Lilliput: Labour Relations and Images of Smallness in Developing Microstates*. Unpublished PhD thesis. University of Warwick, School of Industrial and Business Studies.
- Baldacchino, G. (1994) Peculiar human resource management practices? A case study of a microstate hotel. *Tourism Management*, 15: 46–52.
- Bennet, J. and Towle, E.L. (1981) Energy/environmental management: a broad perspective for the islands of the Caribbean. *Caribbean Educational Bulletin*, 8: 13–33.
- Boella, M.J. (1988) *Human Resource Management in the Hotel and Catering Industry*. (4th edn) Cheltenham: Stanley Thornes.
- Braudel, F. (1972) *The Mediterranean and the Mediterranean World at the time of Philip II*. London: Methuen.
- Britton, S.G. (1982) The political economy of tourism in the Third World. *Annals of Tourism Research*, 9: 331–358.
- Britton, S.G. and Clarke, W.C. (eds) (1987) *Ambiguous Alternative: Tourism in Small Developing Countries*. Suva, Fiji: University of the South Pacific Press.

- Brookfield, H.C. (1975) Multum in parvo: questions about diversity and diversification in small developing countries. In P. Selwyn (ed.) *Development Policy in Small Countries*. London: Croom Helm and the Institute of Development Studies, Sussex (54–76).
- Brunhes, J. (1920) *Human Geography*. London: Harrap.
- Bryden, J.M. (1973) *Tourism and Development: A Case Study of the Commonwealth Caribbean*. Cambridge: Cambridge University Press.
- Butler, R.W. (1993) Tourism development in small islands: past influences and future directions. In D.G. Lockhart, D. Drakakis-Smith and J. Schembri (eds) *The Development Process in Small Island States*. London: Routledge (71–91).
- Connell, J. (1988) *Sovereignty and Survival: Island Microstates in the Third World*. (Research Monograph no. 3) Sydney: Department of Geography, University of Sydney.
- Connell, J. (1993) Island microstates: development, autonomy and the ties that bind. In D.G. Lockhart, D. Drakakis-Smith and J. Schembri (eds) *The Development Process in Small Island States*. London: Routledge (117–149).
- de Kadt, E.B. (ed.) (1979) *Tourism: Passport to Development?* New York: Oxford University Press for the World Bank and UNESCO.
- Dunning, J.H. and MacQueen, M. (1982) Multinational corporations in the international hotel industry. *Annals of Tourism Research*, 9: 69–90.
- Edwards, R.C. (1979) *Contested Terrain: The Transformation of the Worker in the Twentieth Century*. New York: Basic Books.
- Husbands, W.C. (1983) The genesis of tourism in Barbados: further notes on the welcoming society. *Caribbean Geography*, 2: 107–120.
- Legarda, B. (1984) Small island economies. *Finance and Development*, 21: 42–43.
- Lockhart, D.G., Drakakis-Smith, D. and Schembri, J. (eds) (1993) *The Development Process in Small Island States*. London: Routledge.
- Manwaring, T. (1984) The extended internal labour market. *Cambridge Journal of Economics*, 8: 161–187.
- Pitt, D. (1980) Sociology, islands and boundaries. *World Development*, 8: 1051–1059.
- Worrell, D. (ed.) (1982) *The Economy of Barbados: 1946–1980*. Bridgetown: Central Bank of Barbados.