

Human Resource Evaluation in Hotel Units

GEORGE ASPRIDIS

Technological Educational Institute of Larissa, Greece

DIMITRIOS KYRIAKOU

University of Surrey, United Kingdom

This paper aims at presenting and analysing the performance appraisal systems and the human potential development in hotel units. It aims at integrating and updating many aspects of performance appraisal while concentrating on the hotel units system to prove the importance of human resource evaluation in hotel units and the procedure that is to be followed by the enterprise for further development of hotel employees. HR evaluation analysis is presented through relevant theoretical background on the evaluation method and the presentation of the practical problematical issues in order to create an image for a whole evaluation system of HR in Greek hotel enterprises.

Key words: human resource management, performance evaluation, hotel units, employee development

Introduction

Other people are both close to us and yet far away due to direct data transport, communication development, technology and fast transfers from country to country. We ascertain the important meaning that tourism industry acquires at two levels. Firstly, on the level of globalization and of transfer of new ideas, thoughts and culture as well as, secondly, on the level of economic development both in Greece in general and in the country's regions. The economic success of the State tourism industry may contribute in further development of the other business sectors. On the other hand, though, economic problems that surface universally have effects on tourism as well as, in parallel, being capable of influencing at variable levels and contributing to the creation of the domino phenomenon on the national economy (Huntington 2001).

The aim of every body involved (Ministry of Tourism, Greek Tourism Enterprises Organisation, Panhellenic Federation of Hotel Employees) is to upgrade the hotel units and especially the lower-middle ones that constitute the foundation of the country's tourism. Moreover, in order to increase the overnight period for demanding

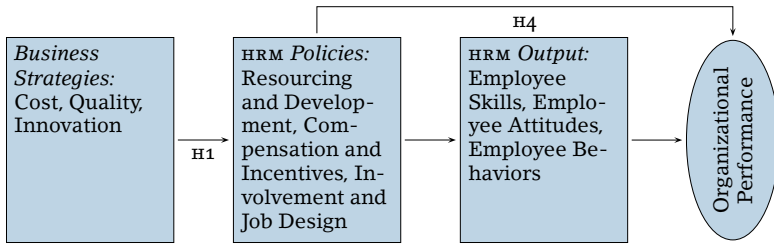
tourists, it is essential to develop luxurious hotel units as part of a complete luxurious hotel complex. The basic element to achieve amelioration of services offered is mainly the continuous development and improvement of human resource.

The objective of an ideal system of evaluation of human personnel is to face all the possible problems, either coming from the evaluators or from the assessed, or from within the system itself. For this reason, it is necessary to use suitable methods that will be simple and will be characterised by clarity, will correspond to the needs of the organisation and will help it to be developed dynamically. The individual output owes to combine itself with the total attribution of organisation, because it is the interrelation of good administration, leadership and other factors. A sense of team work should be created in order for the members to focus their interest on the achievement of predetermined goals. The workers must be able to satisfy their objectives and at the same time the objectives of the team (Cabrera and Cabrera 2001).

This paper aims at presenting and analysing the systems of performance appraisal and the development of human potential. It is aimed at integrating and updating many aspects of performance appraisal while concentrating on the system of hotel units in order to prove the importance of human resource evaluation in hotel units and the procedure that is to be followed by the enterprise for the further development of hotel personnel.

Relationship between Human Resource Management and Organisational Performance

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets – the people working there, who individually and collectively contribute to the achievement of the objectives of the business (Armstrong 2006; Mullins 2005). In simple words, HRM means employing people, developing their capacities, utilizing, maintaining and compensating their services in tune with the job and organizational requirements. In order to compete effectively, firms must constantly improve their performance by enhancing quality, reducing costs, and differentiating their products and services (Chang and Huang 2005). Organizational performance is a widely used term to describe improvements on a firm's bottom line performance that is influenced by HRM. It can cover a range from employee turnover rates to changes in market share. Organizational performance is a complex and multidimensional concept (Cho et al. 2006). The main strategic goal of



H5 Contingencies: Management Style, Organizational Culture, Reverse Causation
 H6 Control: Size, Capital Intens., Degree of Unioniz., Age of Organization, Industry

FIGURE 1 The operational model for the HRM-performance relationship

any business is to maximize financial performance or to maximize wealth for the shareholders (Katou and Budhwar 2006). However, achieving the organization's basic objective, such as profits, will obviously depend on the degree to which its organizational performance is reached (Katou and Budhwar 2006; Harney and Jordan 2008).

Figure 1 depicts an operational model linking HRM to organizational performance. The model is adapted from Paauwe and Richardson (1997, cited by Katou and Budhwar, 2010), who argue that HRM outcomes mediate the relationship between HRM activities and firm performance, and Katou and Budhwar (2006), who recognize that HRM outcomes connect HRM policies to business performance, and furthermore it assumes that HRM policies and business strategies are independent. The causal pathway presented by the operational model in figure 1 refers to an 'indirect linkage' through HRM outcomes, between HRM policies and Organizational performance, and to a 'direct linkage,' between HRM policies and Organizational performance. However, it is not required that these linkages be simultaneously present. It is very possible, even in the absence of a direct linkage, for some policies to significantly contribute to business performance through the intervening process (Katou and Budhwar 2010).

Cho et al. (2006) explored the relationship between the use of 12 human resource management practices and organizational performance measured by turnover rates for managerial and non-managerial employees, return on assets and labor productivity. They found that companies which use HRM practices such as incentive plans, pre-employment tests, and labor-management participation programs are more likely to experience lower turnover rates for non-managerial employees.

Katou (2008) tried to measure the impact of HRM on organizational

performance in the context of Greece. After a questionnaire survey from 178 organizations in the Greek manufacturing sector she shows that the relationship between HRM policies (development and resourcing, involvement and job design, compensation and incentives) and organizational performance is in part mediated through HRM outcomes (behavior, skills, attitudes). In addition, the conclusion of this study, for both academics and practitioners, is that HRM policies matched with business strategies will affect organizational performance through HRM outcomes.

Katou and Budhwar (Karipidou 2010), carried out a large questionnaire survey in the Greek manufacturing sector on a sample of 178 organizations in order to investigate the HRM-performance causal relationship in the Greek context. The findings of the survey show that the ability, motivation and the opportunity to perform the HRM policy domains are moderated by business strategies and additionally, the motivation to perform is further moderated by managerial style and organizational culture. Furthermore, the results indicate that the impact of HRM policies on organizational performance is fully mediated by employee skills, attitudes, and behavior. They concluded that although the motivation to perform in the HRM policy domain causes organizational performance, through employee attitudes, it may be argued that organizational performance positively moderates the effectiveness of this HRM policy domain, raising thus the question of reverse causality. 'The literature on the HR performance relationship has universally reported significant relationships between HR and performance, almost exclusively used designs that do not logically allow one to draw causal conclusions and are very seldom actually tested for a reverse causal order' (Karipidou 2010).

Performance Appraisal

One way to review the performance and potential of staff is through a system of performance appraisal. It is important that members of the organisation know exactly what is expected of them, and the yardsticks by which their performance and results will be measured. A formalised and systematic appraisal scheme will enable a regular assessment of the individual's performance, highlight potential, and identify training and development needs. Most importantly, an effective appraisal scheme can improve the future performance of staff and planned career progression (Mullins 2005; Pfau et al. 2002). A comprehensive appraisal system can provide the basis for key managerial decisions such as those relating to allocation of duties and responsibilities, pay, empowerment and levels of supervision, pro-

motions, training and development needs, and terminations (Mullins 2005; Stein 1991).

The objective of performance appraisal is to improve the performance of individuals leading to improvement in the performance of the organisation as a whole. An effective appraisal scheme, therefore, offers a number of potential benefits to both the individual and the organisation (Mullins 2005; Beardwell, Holden and Claydon 2004; Armstrong 2002). It can identify an individual's strengths and areas of development and indicate how such strengths may best be utilised and weaknesses overcome. It can develop a greater degree of consistency through regular feedback on performance and discussion about potential. This encourages better performance from staff. It can provide information for human resource planning, to assist succession planning, to determine suitability for promotion and for particular types of employment and training. It can improve communications by giving staff the opportunity to talk about their ideas and expectations, and how well they are progressing (Coleman 1995).

HR evaluations, if done correctly, will reward employees who are working in the interest of the firm and correct those who are not. There is no single evaluation system that can be used for all firms, but there are a variety of different evaluation systems to choose from. It is important to choose the HR evaluation method that will best suit the organisation (Mullins 2005; Huczynski and Buchanan 2001). Understanding more about some of the most popular HR evaluation methods will help managers to determine which method best fits the needs of the organisation. Appraisal systems can be used to measure attitudes, behavior and performance. Measurement may be a combination of (Mullins 2005) 'quantitative' measures using some form of rating scale, such as, for example (1) excellent, (2) exceeds expectations or requirements of the job, (3) meets the expectations or requirements, (4) some weaknesses in meeting expectations or requirements, (5) unsatisfactory performance and 'qualitative' measures involving an unstructured, narrative report on specific factors and/or overall level of behavior and work performance.

Hotel Industry

The hospitality industry is internationally considered as the sector with the highest occupational mobility (turnover) at both hourly and managerial levels (Paraskevas 2000). Employees are one of the key elements in the operation of a successful hospitality business. Having the right employees will greatly enhance the likelihood of success for any enterprise (Davidson 2003). There have been many

studies suggesting that the management of human resources in hotels is underdeveloped and lacking in sophistication and also that there is little evidence of HRM implementation in hotels. However, over the last decade several estimations show that interest in HRM within the hotel industry has increased (McGunnigle and Jameson, 2000)

For instance, Hoque (1999) has conducted quantitative research into HRM in the UK hotel industry. The sample frame used for this survey was over 200 hotels and he demonstrated that the reported usage of practices associated with an HRM approach was higher in this sample than within a comparable sample of manufacturing establishments. Based on this research, Hoque argues that there is evidence of an increased level of interest in HRM within the hotel industry and suggests that this may possibly be the case within the hospitality industry as a whole.

Alleyne, Doherty and Greenidge (2006) (Karipidou 2010) measured the extent of the adoption of human resource management (HRM), the existence of a formal HR strategy, and the development of the HR function in the Barbados hotel industry compared with Hoque's sample of hotels in the UK. A quantitative survey covering 46 hotels out of a population of 75 hotels was carried out with the respondents being the hotel's management: HR manager, a general manager or line manager. The results show that the adoption of HR practices was more dominant in Barbados hotels than in the UK sample and that in many aspects the Barbados hotels are ahead of their UK counterparts in the development of the HR function.

Chang and Katou (2007) carried out a research with a total of 439 hotels in the Indian hotel industry (ranging from three-star to five-star deluxe) and they tried to measure 27 HRM practices, 5 organizational performance variables and 10 demographic variables. The results establish that hotel performance is positively associated with hotel category and type of hotel. In addition, hotel performance is positively related to the HRM system of recruitment and selection, manpower planning, job design, training and development, quality circle and pay systems.

As far as the Greek hospitality sector is concerned, there is a lack of similar research due to the fact that human resource practices in most hotels are poor and mostly concentrated on the basic 'personnel' functions. However, the case of a small number of five and four stars hotels are the exception to the general rule that are either managed or owned by international or local chains. Even though this is not empirically proven, it is broadly believed that, because of their

TABLE 1 Greek tourism main figures, 2009

Contribution to GDP	15.2%
Contribution to Employment	18.5%
Employment	774.200
International Tourism Receipts	10.4 billion €
International Tourist Arrivals	14.9 million €
Average per Capita Tourism Expenditure	697 €
European Market Share	3.2%
World Market Share	1.7%
Concentration of Hotels Supply	52% of beds in Crete, Dodecanese & Macedonia
Hotel Capacity	9,559 Hotels – 732,279 beds

NOTES Based on data provided by the Hellenic Statistical Authority and the Bank of Greece.

human resources practices, these are the establishments having the lowest turnover rates in both managerial and hourly positions and creating a very positive image for the overall sector (Paraskevas 2000). In the following table we present the profile of the Greek tourism in 2009.

Methodology

As far as the secondary data are concerned, their collection and analysis is used to examine trends over time. The secondary data utilized in this study, as mentioned above, have been collected from books, Greek, English and other academic journals, relevant researches and reports, related websites, official statistics and press articles that concern current trends in Human Resources Evaluation and the Hotel industry. According to the way they are collected, primary data can be distinguished as quantitative and qualitative. Quantitative methods consist of numerical measures to quantify the data and efficient statistical relationships between predetermined variables in order to classify the results into standardized categories, a process outside the aim of this article. Qualitative primary data are collected for this study, because they are most appropriate for research, given the nature of the issues pursued and analysed in the study. Qualitative data can be obtained through a variety of sources, the most common of which are interviews, questionnaires, observations and focus groups. For this study, the source of information was the conduct of interviews. The primary advantage of in-depth interviews is that they provide much more detailed information than is available through other data collection methods, such as surveys. They also

may provide a more relaxed atmosphere in which to collect information – people may feel more comfortable having a conversation with you about their program as opposed to filling out a survey (Boyce and Neule 2006). However, there are a few limitations and pitfalls, each of which is described below.

Because the program or clinic staff might want to ‘prove’ that a program is working, their interview responses might be biased. Responses from community members and program participants could also be biased due to their stake in the program or for a number of other reasons. Every effort should be made to design a data collection effort, create instruments, and conduct interviews to allow for minimal bias (Boyce and Neule 2006). Interviews can be a time-intensive evaluation activity because of the time it takes to conduct interviews, transcribe them, and analyze the results. In planning your data collection effort, care must be taken to include time for transcription and analysis of the detailed data (Boyce and Neule 2006). In-depth interviews, however, provide valuable information for programs, particularly when supplementing other methods of data collection. It should be noted that the general rule on sample size for interviews is that when the same stories, themes, issues, and topics are emerging from the interviewees, then a sufficient sample size has been reached. Convenience sampling was utilised for this study, which is a type of non-probability sampling that involves the sample being drawn from that part of the population which is close to hand, and on this occasion, the Hotel industry. That is, a sample population selected because it is readily available, convenient and representative of the Hotel industry. It may be through meeting the person or including a person in the sample when one meets them or has chosen them through technological means such as the internet or through phone. The researcher using such a sample cannot scientifically make generalizations about the total population from this sample because it would not be representative enough, but in this article the relative individuals that were selected, due to their presence in the Hotel sector, reflect the whole industry.

Evaluation of Human Resources of Hotel Enterprises

SEMANTIC APPROACHES

What is meant by the term evaluation of performance of human resources (Aspridis 2004), is the procedure of clarification and recording of performance and qualifications of employees (but also of the total of service), in relation to the demands of the position they hold and the potentials of progress that are presented to them. The eval-

uation of human resource performance needs to be clarifying and comparative. It has to be informative and consultative and administrative.

The main purpose is re-supplying of results to responsible people who are in charge of decision making, in order to avoid past mistakes in the future, because if the employees know on what basis their performance is being measured, in relation to their expectations, it will become better. Every evaluation system must be correlated with the whole human resource development system. It has to be specific and simple in order to become accepted by the evaluators and the evaluated people without significant reactions. Implementation of an evaluation method is based on the realized choice which it is not always possible to found in objective criteria, because it can be affected by the person's familiarisation with only some techniques, with personal experience and generally with personal beliefs and considerations. Every evaluation method needs to be objective during the results countdown, to be clear for its application to be easy-going. It is necessary to approach the special operating conditions of the organisation, meaning another method for building companies and another for service providing organisations. Additionally, the selected method depends on the number of staff that every organisation employs, the usage of modern technology and, finally, the organisational economic sizes.

Single human resource performance evaluation system can be considered perfect and ideal. What has been pursued a priori is its effectiveness and its contribution to the capabilities development of employees, which makes them more productive. Usually, it is required to be fully specialised and adapted to each organisation's needs, either public or private sector, and to be renewed in fixed time periods according to every organisation's and its employees' targets. An important role in the evaluation system evolution is played by the personal employment of every employee and the time period in which that person occupied, since nobody can evaluate in the same way the routine and target-placing works. For this reason, targets will be renewed in fixed time periods.

During the evaluation, it is possible for a chain of weaknesses to appear. This is natural, because all evaluation methods that have been developed reveal disadvantages, but also advantages. For every evaluation system, in order to be successful, it is essential to receive all the organisations' human resource approval and trust, which they will apply and which has to be embodied in a wider management system that will operate efficiently, and usually for this reason, more than two evaluation methods are being used. Before a company de-

cides which evaluation method it is going to use, it must define the immediate and objective targets to be realized, but also define the frame which will cover the evaluation. Finally, it is suggested that to in all those directly interested a special publication, should be distributed, e.g. a manuscript, which will explain the evaluation system's details.

The evaluator should not to compare the employee according to himself, should not consider himself as a judge or police officer, whose aim is to judge and control his subordinates as well as imposing penalties instead of helping them to improve their performance, and not to be limited exclusively to in the employee's reaction on critical occasions, but also to take into consideration the total image of the employee as it is being shaped during the evaluation period. With the completion of the human resource evaluation procedure and by defining its meaning the total of results can be assessed. Whichever method is utilised there, will be implemented an ultimate phase, that of the results evaluation during which the responsible people of the system are to control if and to what extent the system is effective or not, evaluating produced data quality and overtaking stereotypes and partial positions. Whatever the results may be, satisfying or not, a re-supply of the system will exist for future evaluations. If, on the contrary, errors emerge, it is essential that the changes to be made are specified in order to avoid error repetition and re-planning of the system from the controversial point or even from the beginning.

In order to overcome all problems, wherever they are caused, it is essential for the appropriate system planning to exist by using those personnel evaluation methods, mainly through pre-agreed target-placing and the institution of objective evaluation criteria. Good relations and the creation of a mutual trust climate between supervisors and subordinates are required, because without them, an efficient personnel evaluation system cannot exist. Improving the communication procedure with the interview method and through the usage of specific methods and interview techniques adds a plus to the evaluation system. Finally, full justification of evaluation reports from the evaluators and the existence of a second evaluator, assist in error decrease.

EVALUATION OF HUMAN RESOURCE IN HOTEL UNITS

The first hotel unit that was studied belongs to a large group of companies, which consists of one of the largest non-commercial ship fleets as well as other enterprises, mostly in Europe, except from ho-

tel units. It is considered to be one of the most ancient and larger hotel chains in Greece, with five hotel units in Athens, Corfu, Chios and Thessaloniki. In the frame of human resource development, evaluation is being introduced as the first step-phase of this policy. Evaluations are realized once a year, during December, for every permanent employee. In extraordinary situations, and when it is considered worthwhile, a direct order from the General Manager has been given. This evaluation can concern all or part of the personnel. The evaluation does not take into consideration seasonal personnel, for whom brief details are being kept by their direct supervisors for future usage. The evaluation is being realized by the direct supervisor of each employee and is later submitted, in a sealed envelope, to the present Personnel Manager. Evaluation forms of every employee are kept in the Human Resource Division and are dealt with as strictly confidential. For the completion of the evaluation forms, direct collaboration of the evaluator and the evaluated person is needed for at least two months. The direct supervisor is obliged to invite for an evaluation interview every one of his subordinates. During the interview, the evaluation results are to be analysed and measures in order to improve employee performance are to be decided.

Criteria grading is alphabetically numbered. As 'Very Good' – grade 4, is characterised an employee who responds exceptionally to work demands. As 'Good' – grade 3, is characterised an employee who fully responds to work demands but does not respond from extra capability or desire. As 'Average' – grade 2, is that employee who does not fully meet to the work demands. As 'Inadequate' – grade 1, is judged that employee who does not entirely respond to work demands, and direct improvement is demanded in order to further evaluate his existence in the company. As the final evaluation mark, an average of every criteria mark is being extracted. Evaluation consists of two forms. The first one concerns personnel and the second specialised executives. As for executive evaluation, the criteria are personnel management, influence, communication, interpersonal relations development, planning, data and information analysis, decision making, business development and self-control. From the moment that the HRM collects all evaluation forms, it is obliged to notify and brief the General Manager for the evaluation results. According to those, the General Manager has to make decisions on educational-training matters, succession programming, re-organisation of duties and, finally, personnel renewal.

During the last years, factual evaluation for all personnel has been conducted. Evaluators have taken specialised seminars the with aim

of achieving a unified evaluation procedure. Company's aims include full utilisation of the present performance evaluation system, and evaluation results announcement to each employee through individual interview. In addition, the company focuses on the implementation of an informal promotions system with allocation of new and more responsible duties and finally, progression possibilities and human resource succession at all levels. Also, the company is occupied with connecting the human resource evaluation system to the remaining systems (like payroll and productivity bonuses, progression, training and informal promotions system).

The second hotel belongs to the universal group of a large, universal hotel enterprise which has 147 hotel units globally, with 49,904 rooms. In Greece, this hotel offers 543 rooms of which 60 luxurious suites and one presidential suite. In 2007, it was presented with the distinction of being 'Greece's Leading Business Hotel.' The specific hotel disposes of a full human resource performance evaluation system. Evaluation is realized every semester and annually, and concerns supervisors and the rest of personnel. The main evaluation criteria are total evaluation of performance, primary performance targets, leadership capabilities, according to the hotel's international practises and 'winning way.' Specifically, supervisors are evaluated on business formation, work quality, communication capability, credibility and other factors. Moreover, the rest of the personnel are evaluated on criteria such as work knowledge, work quantity and quality, interest, cooperation with colleagues and more. Evaluation is realized by the direct supervisor, while there is the possibility of self-evaluation of the evaluated people. The final judgement springs from conversation and the mutual decision of both evaluators and evaluated people. More specifically, we refer to leadership and human resource development, and that interest is shown in action and in results. Furthermore, interest is directed towards the market, change procedure and full comprehension of employment and finally towards strategy. On occasions when the evaluation has negative results, problem sources are being investigated, which among others can be personal, family, professional, lack of education and knowledge and finally, lack of will.

FINAL THOUGHTS

It is a fact that the majority of Greek enterprises consider human resource performance evaluation as an essential element of Human Resource Management, in order to achieve the best possible results during the production process. The aim of all companies is, through

evaluation systems, to develop a good working environment, to avoid leaking to other companies, especially the antagonist ones, and to increase total productivity and business profitability.

Almost every hotel enterprise utilises a special form for their personnel evaluation, which takes place at least once a year and includes its total. Evaluation is realized by two evaluators, who are always the direct supervisors of the evaluated employee. Primary evaluation aims are promoting executives to superior positions, their pay progression, formatting a career plan and training for all those employees who experience problems. The basic element for adopting the appropriate evaluation system is the hotel unit size, because in a small unit with few employees a typical evaluation system, cannot be implemented, such as the one that is implemented in large hotel units. On these occasions, an informal evaluation system is being utilised. Through employee evaluation, it is possible for their weak points to be revealed (which they have to improve) as well as ascertaining their capabilities (which can lead to progression potentials). In order for the evaluation to be realized, it is necessary to set up a committee from the hotel's managerial executives, which will be based on quantitative criteria to achieve more objective evaluations. These evaluations have to be realized in fixed time periods, meaning, once or twice per annum, in order not to have too long an intervening time, and for the employee image to be more fully presented (Laloumis and Roupas 1996).

Evaluation methods' aims are: to become as credible as possible and to depend as little as possible on participants' personal eccentricities, emphasizing the future and not so much the present or the past. Their aim is to evaluate the employee's performance, a difficult task from both its nature and its extremely sensitive, as well as personal characteristics. Evaluation methods are distinguished between comparative methods, absolute ones and those that are oriented towards results.

Employee equalization and levelling is a result of criteria uniformity and evaluators' practice of resisting in employee differentiation. In this practice, almost the total of personnel is exceptionally classified in the same category. This phenomenon derives to a great extent from evaluated people's reactions, when negatively marked, because bad criticism is not acceptable and this has as a consequence distortion of the service operation.

Human resource evaluation has to consider both higher and highest hotel executives and employees. Initially, experience shows that managers have to be evaluated by the following criteria: profes-

sional and technical formation, work quality, problem solving, decision making, communication abilities, programming, leadership capabilities and credibility. Their evaluation result is to program executives' service condition variations, and the training and further education that these executives have to receive. In a few words, to form a full census diagram in which the total image of executives and their possibilities of progression will be demonstrated (Laloumis and Roupas 1996).

Moreover, it is possible for self-evaluation to exist as a method, where the employee will be invited to answer a series of questions like 'In which field of your work are you more efficient?' or 'Do you have some special abilities/capabilities that you do not use in your present work?' Thanks to evaluation, the company can focus on the reward and progression potentials of human resource. Evaluation through re-supplying makes it possible to achieve important results both for the individual and the organisation in total and to be connected by motivation.

According to employees themselves, the aim of human resource performance evaluation is the amelioration of the training provided, the demand from superiors to pose targets for their employees and finally to have the evaluation results published through a re-insert of data. Criteria marking should be accompanied by arithmetic characterisations which will be fully determined and will not create suspicions for doubts, so as to better present the existing employee image and total impression. In each criterion, it is essential for a gravity factor to be given so that the phenomenon of total evaluated criteria levelling does not appear. Specifically from zero (0) (who does not perform his work and whose performance is lower than expected) to four (4) (is far above the expected, and exceptional performance is achieved which is also continuous).

Employee effectiveness must also be estimated in mid-term time points of the year, such as in 3-month or 4-month periods, and not only at its end, through supervisors and employees meetings with an aim to critically evaluate realized work and ensure continuous briefing of subordinates by their supervisors for their evaluation results. At this point it would be useful to mention benchmarking, which is based on comparing the enterprise with others which are considered to be points of reference. It is possible to implement this technique in the company's interior. It is been implemented systematically by enterprises that wish to evaluate their product's performance and favour the initiative, creativity and innovation spirit (Roux 2007).

All this procedure is directly connected with Performance Man-

agement (Aspridis 2007), which contributes to the achievement of better results at individual, team and organisation level. It aims at creating and founding the common sense of what has to be achieved, how and with what models, with high importance given to employee administration and development. It is a chain of actions and behaviours from executives for daily target achievement and employee performance improvement, and cooperates with the rest of the company's management procedures. It appoints responsibility to the supervisor to work efficiently in order to lead, support and motivate the subordinates. It aims for executives' work success and contributes towards their capabilities development with the aim of maximising their contribution to the company's success. Performance Management is founded in the existence of the 4 C's (Beech and Chadwick 2006, 100–109), Commitment, Competence, Congruence and Cost-effectiveness.

An evaluation system to be successful must be adaptive in real organisational facts and not simply transplanted as a simple foreign model copy. In some multinational companies, that have branches in Greece, evaluation is realized through the prototype form which is in the native language. For the best possible results to be achieved there is continuous and constant communication between their representative in Greece and the company's owner abroad. In this circumstance, the basic problem that surfaces is that of mutual communication and its presented difficulties. Human resource evaluation is easy in the case when the supervisor has individual and separate meetings and conversations with each of his subordinates during the year. The evaluation must be addressed to the total of the executives' personal and professional development. The hotel units executives' evaluation procedure should consist of a series of procedures that have as their target to form a total employee image.

Conclusion

The Greek Ministry of Tourism Development strategy is focused on the threefold approach 'Quality – Business – Promotion.' In a few words, it focuses on a qualitative upgrading of services offered, in the tourism product amelioration with infrastructure improvement and, finally, with product advertising (Spiliotopoulos 2007, B20). Therefore, it is comprehensive in the fact that hotel units' amelioration receives special meaning and especially their human resource improvement in the large hotel units. Hotel human resource consists of the most important criterion for service users' satisfaction. What is needed necessarily is adequate knowledge of personnel around

customer service related matters, excellent communication between customers and personnel and to comprehend customers' problems and, finally, to be friendly towards them. In order to achieve all these aims, human resource evaluation is necessary (Fergadis, Siskos and Maninou 2006).

This paper is aimed at presenting and analysing the systems of performance appraisal and the development of human potential. It is aimed at integrating and updating many aspects of performance appraisal while concentrating on the system of hotel units. The systems of evaluation of human potential could not restore the feelings of insecurity and fear of workers and specifically the fear of failure, reprisals and control in Greece. The system did not convince the employees to function in favour of themselves and try to be more productive. Most systems of evaluation are not perfect because they are affected by the external environment, the organisational culture and the behaviour of personnel that continuously changes. The changes that are forecasted cannot have direct results, nor can their value nor their usefulness decrease. It is necessary for a controlling mechanism of evaluation to be created, so that its weaknesses and its problems of application are located and its continuous improvement will be ensured. All of the above have no value at all if there is no interest in better performance by the employees. And last but not least, we do not have an ideal system of performance appraisal in hotel units because of the organisational policies.

For an effective system of performance evaluation, in hotel units, it is necessary to accept the criteria of the system, which should be explicit and predetermined and should be adapted to the real data. The criteria should provide an accurate picture of the employee performance. A system of evaluation has to be created, so that its weaknesses and the problems of application are found, its continuous improvement is ensured and the complete acceptance of workers in hotel units is gained. Last but not least, the system of performance evaluation must review performance formally at least annually, and will form a new organizational culture in the hotel sector.

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